Daily Report

Latin America

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FBIS-LAT-95-069 *11 April 1995*

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Mercosur Renegotiates Tariff Accords With Mexico

PY1004222595 Sao Paulo GAZETA MERCANTIL in Portuguese 3 Apr 95 p A8

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] Asuncion, Paraguay—Mercosur [Common Market of the South] and Mexico have decided to resume negotiations to extend the preferential tariff agreements. The decision was made during the Common Market Group (GMC) meeting that took place on the evening of 24 March in Asuncion. The preferential tariff agreements, which expired on 31 January, will be extended until 30 June and will be retroactive to 1 February. Brazilian negotiator Renato Marques said that this means that part of the trade between Mercosur and Mexico will continue to benefit from tariff discounts.

Mexican negotiator Eduardo Solis Sanchez allowed the renegotiation of bilateral agreements under the "four plus one" formula, that is, between the Mercosur bloc and Mexico. In addition to this, the Mexican Government will allow negotiations over compensations claimed by Brazil, Argentina, Uruguay, and Paraguay related to eventual trade losses because of the loss of preferential treatment. Mexico did not extend to Mercosur the tariff concessions granted to the United States and Canada within the framework of NAFTA.

Negotiations between Mercosur and Mexico led Argentina to increase its preferential treatment (import tariff discount) granted to Mexico from 50 to 60 percent for synthetic fiber ropes; from 80 to 90 percent for metacilic acid esters [esteres de acido metacilico]; and from 50 to 70 percent for disodium sulfate. Uruguay will increase its preferential margin from 50 to 70 percent for the cellulose acetate fibers it imports from Mexico.

The Paraguayan proposal to create a "trigger clause" will be discussed on 18 April in Asuncion. According to Paraguayan Ambassador Antonio Felix Lopez Acosta, his country wants to withdraw from the CET [Common External Tariff] list the goods it cannot buy in Mercosur, such as raw materials that are essential for its industrialization process, and automatically place them on an additional exception list with a zero tariff.

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Cuba

ANPP To Debate Helms-Burton 'Recolonization' Bill

PA1104043095 Havana PRENSA LATINA in Spanish 1711 GMT 10 Apr 95

[FBIS Translated Text] Havana, 10 Apr (PL)—Ricardo Alarcon, president of the National Assembly of the People's Government, announced today in Havana the upcoming holding of parliamentary hearings on the U.S. Helms-Burton Bill which seeks, among other things he said, "Cuba's recolonization."

In an interview granted to the weekly TRABAJADORES, Alarcon denounced the legislative plan promoted by ultraconservative Senator Jesse Helms, calling it an "annexationist monster," and he pointed out that it will be discussed beginning on 3 May at public hearings by the International Relations and Judiciary Commissions.

Alarcon drew attention to the fact that, for the first time, a bill is calling for the U.S. Government to consider recovering nationalized property seized from embezzlers and agents who had connections with Fulgencio Batista, the island's dictator until the end of 1958.

Alarcon added that the purpose of the bill is to make the alternative to the revolution the Cuba of yesteryear, and it proves just how much Washington's policies have been "Miamized" and how the ultraright in that city are trying to decide the Cuban people's fate.

Our people have the right, he said, to know more about that document and to express their views about it. Many more people will participate in the Cuban parliamentary hearings than the ultraright elements they summoned to the hearings at the U.S. Congress, he assured.

We must prove, Alarcon underscored, that no one is going to impose the past on us or destroy the revolution and that we will decide our own fate.

Commentary Analyzes U.S. 'Dualism Currently in Power'

FL1004161795 Havana Radio Rebelde Network in Spanish 1155 GMT 10 Apr 95

[Commentary by Eduardo Dimas from the "Doing Radio" program]

[FBIS Translated Text] Some political observers have noted a dualism currently in power in the United States. Personally, it seems to me that the Republican right wing dominating Congress is seriously interested in nullifying [anular] the executive power, taking government from its hands, and doing whatever is possible to impede Clinton's government during his last two years in office, and to obstruct his reelection. However, I believe that they cannot achieve their goal unless they violate the U.S. Constitution, which defines the executive, legislative, and judicial powers very well.

Congressman Newt Gingrich—in an unprecedented way—read a speech in Congress, during which he congratulated himself on the success of the Contract with America—the agenda of the Republican Party—which will celebrate the first 100 days of monopoly in Congress. Gingrich stressed the need to introduce changes in government, and pointed out that the current Democratic government has lost touch and control. He rejected the views of his Democratic opponents on a law proposal which would reduce taxes on the rich, at the expense of the poor, and refuted that the project will tend to reduce the aid to children, women, and old people. However, Gingrich did not elaborate on how they would manage to reduce taxes $200 billion during the next five years, and slow down the budget deficit at the same time, without affecting aid to the poor, and other social services.

The unusual speech by Gingrich received an immediate response by Congressman Richard Gephardt, and Senator Thomas Daschle, who criticized most of the Contract with America views. Both congressmen promised selective cooperation with the Republican agenda, however, they clearly stated that they will fight any attempt to cut aid to social, health, education, labor, and other social programs.

President William Clinton launched an advanced work agenda for the next 100 days, to make more speaking tours before his electoral campaign. Recently, he took advantage of a speech in Dallas, Texas, to attack and neutralize the Republican drive in Congress, and its influence on voters. Clinton made clear that he will sign congressional reforms only when they benefit the vast majority of Americans. Yet, he added that he will veto reforms affecting the economy, employment, health, education, ecology, social welfare, gun control, and crime fighting. He called the Republican project to cut taxes a fantasy.

Several Republicans have already begun their presidential campaigns. Clinton himself is already fighting for reelection one year and seven months before the November 1996 elections. In addition, it was announced that some primaries will be advanced to March 1996.

It has always been said—rightly so—that the U.S. political system is based in only one party with two heads—Republicans and Democrats, who defend the same strategic interest with a difference in tactics and shades. I believe this is still true. However, it seems that there is a difference nowadays, and Republicans are trying to nullify Democrats for many years to come.

This new situation creates new expectations in a political system which has shown signs of exhaustion, and which is making the emerging of a third party essential—as dangerous as it might be for the establishment. Another possible variant—now that capitalism is not in danger—

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would be the development of very strong contradictions in the U.S. power elite, among ultra-right and more moderate sectors. One way or another, we are facing an interesting situation which will make a true show in the coming elections. For the time being, there is a dual government attempt, and the Republican wish to oppose the U.S. President's executive authority, which is highly dangerous indeed.

Foreign Minister on European Interest in Economic Opening

PA0804175095 Havana PRENSA LATINA in Spanish 1616 GMT 7 Apr 95

[FBIS Translated Text] Havana, 7 Apr (PL)—Cuban Foreign Trade Minister Ricardo Cabrisas affirmed today that during his tour through Europe, he was able to confirm the interest of European businessmen in Cuba's current economic opening.

In a telephone statement to Radio Rebelde from London, Great Britain, Cabrisas said German and British business groups are firmly decided to continue the negotiations with the Caribbean nation.

The minister said the first leg of his tour (Germany) was very positive and announced several delegations will visit Cuba in the next few weeks in order to continue ongoing negotiations and to initiate new ones.

He said statements were made during the meetings against the U.S. blockade on the island and against a bill being promoted by a group of congressmen to intensify the blockade further.

During his stay in German territory, the Cuban delegation held official talks with representatives of the Economy and Foreign Relations Ministries and with businessmen from Bonn, Stuttgart, and Hamburg.

Cabrisas said his visit to Great Britain is to participate in the interchange of delegations the two countries have been making during the past 18 months.

The presence of the Cuban delegation in London coincides with the official launching of a Cuban initiative aimed at promoting trade, investments, and other bilateral exchanges.

The British delegation is headed by Baroness Janet Young, who visited Havana in February. Cabrisas heads the Cuban delegation.

Cabrisas on British, German Interest

FL0704202495 Havana Radio Rebelde Network in Spanish 1700 GMT 7 Apr 95

[From the "National Radio News"]

[FBIS Translated Text] Foreign Trade Minister Ricardo Cabrisas told Radio Rebelde during a telephone interview from Great Britain that several delegations of German businessmen will visit Cuba over the next few weeks to continue or to begin trade negotiations, an indication of the amount of interest in Cuba's economic opening. The following is an excerpt of his comments on his current visit to the United Kingdom.

[Begin Cabrisas recording] During this visit we had the opportunity to participate in a working meeting, chaired by Baroness Young who recently visited Cuba, to launch the Cuban initiative on this issue. In England, as in Germany, interest and progress made in ongoing talks between sectors of the Cuban economy and English enterprises have been confirmed. Aspects of possible business cooperation were also discussed, and rejection of the blockade was reiterated, as well as recently announced measures to strengthen the blockade. In the same vein, we have heard the statement by the European Union which, in my opinion, is very detailed and establishes the member nations' position on the bill proposed by Senator Jesse Helms. In bilateral meetings, various businessmen condemned the hostile, unethical policy toward Cuba and confirmed their intention to continue the ongoing talks and negotiations of the last several months. [end recording]

Russian Duma Leader Cited on Economic Independence

PA0804153995 Havana PRENSA LATINA in Spanish 1454 GMT 5 Apr 95

[FBIS Translated Text] Moscow, 5 Apr (PL)—Sergey Glaziyev, leader of the Duma's Economic Policy Committee, said today he is impressed by the level of economic independence Cuba has reached and noted Havana's interest in commercial ties with Moscow.

During a news conference at the Duma, Glaziyev said the Cubans, applying their own strength and resources, have been able to overcome the negative impact of the sudden vanishing of the Soviet Union and are now exhibiting solid indications of economic stability.

The leader of the Democratic Party of Russia affirmed that during the recent visit to the Caribbean state, he was able to witness the tremendous development potential of the island, after having stopped the production slump and progressing in strategic sectors.

Glaziyev noted the rapidity with which Havana is promoting sectors such as tourism, energy, nickel, the citrus industry, as well as the sugar industry, thanks to, to a great extent, the country's infrastructure and the high level of the nation's professionals.

He pointed to the positive way foreign capital has reacted to the favorable conditions created on the island, where Russia is irrationally and quickly losing the vanguard role it could have played, he said.

Everything indicates, Glaziyev said, that investments will begin yielding the desired fruit in the immediate future and that Cuba would then consolidate incipient but solid recovery indications.

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He expressed regret that Russia has been displaced by Western companies from sectors such as the sugar industry, electric energy, metallurgy, and oil. He also lamented the low level of bilateral exchanges between the two countries.

He reported that trade between Moscow and Havana amounted to approximately $400 million last year, and he cautioned that it will soon be too late to try to recover the lost ground and take advantage of the huge potential created with the assistance of the extinct Soviet Union.

He said it would be very advantageous for Russia to encourage ties in the nickel, machinery construction, and sugar sectors, among others.

Glaziyev headed a delegation of Duma representatives who visited Cuba from 27-31 March upon the invitation of the Cuban National Assembly of the People's Government.

Castro Accepts Polio Eradication Award

FL1104022295 Havana Tele Rebelde and Cuba Vision Networks Spanish 0000 GMT 11 Apr 95

[Excerpts of President Fidel Castro's remarks at the polio eradication award ceremony; passages within quotation marks recorded—from the "NTV" newscast]

[FBIS Translated Excerpt] After having given Commander in Chief Fidel Castro the certificate proclaiming Cuba free of poliomyelitis, Dr. Marta Roses, deputy director of the Pan-American Health Organization, left Cuba. Fidel Castro received the international recognition in a solemn ceremony.

[Castro] "We have been free of poliomyelitis for some time now. I think that the most important and stimulating thing is that we have been declared free of the poliomyelitis virus. This award will force us to control our coasts and airports, not allowing one single virus to enter. [chuckles] If a virus were to enter some time, we would fight it with the required efficiency. I think the best way to fight the virus and protect all countries is to eradicate it entirely. Cuba has accomplished an important task in this area." [passage omitted]

[Castro] "I think that on the day our hemisphere is declared free of the poliomyelitis virus, there will be a great celebration. I think this has been a great human success, especially if we recall—as we have done here—that this illness has been known to man for over 3,500 years. How many sacrifices has this illness caused throughout the world? How many invalid children? The number is incredible. What would have happened without the efforts of the World Health Organization and the Pan-American Health Organization? How many people would have been affected by this illness? One feels encouraged because there are bases for believing that the illness will be eradicated by the year 2,000."

With regard to social development, Fidel Castro stated:

[Castro] "There are two fundamental issues in social development. What a great thing, what success, what an advance. Forced to sit and think about the problem, then stand at a podium and give a speech on this issue is something that forms the conscience of those who have the fundamental resources—right in their hands—to carry out these programs."

With regard to the cooperation of the World and Pan-American Health Organizations, UNICEF, UNDP, and the Rotary Club of Mexico, Fidel Castro stated:

[Castro] "Once more I would like to convey our infinite gratitude for all the cooperation and consideration that you have shown Cuba, as well as for this recognition of our modest efforts in the health sector. Thank you very much."

Alarcon Discusses Significance of 9 Jul Elections

FL1004224095 Havana Radio Rebelde Network in Spanish 1700 GMT 10 Apr 95

[From the "National Radio News"]

[FBIS Translated Text] Ricardo Alarcon, president of the National Assembly of the People's Government, explained to TRABAJADORES newspaper the significance of the 9 July elections. He highlighted the need for broader understanding of the Cuban political system's general merit through the election of circumscribed delegates during difficult times, making the elections more relevant.

Alarcon stated that the current process is different because no unified vote can be expected. He added that it is necessary to go to the neighborhoods amid ongoing tensions and subjective problems to elect base combatants who are confronting problems that sometimes have no solutions. Alarcon also called for more well-qualified nominees; true collective deliberation in nominating the most capable neighbors, the ones with the best qualifications; and extensive participation when voting time arrives. He added that the concept of the People's Government as a democracy that involves everyone's participation must be developed.

Alarcon told TRABAJADORES that the Cuban Government is working to preserve socialism's achievements and to create the foundations from which socialism can continue to grow. He observed that now is the time to be concerned about those confronting special problems—the unemployed, the young in need of support and direction, low-income families—and to seek solutions and relief for those problems.

In addition, Alarcon announced that public meetings will begin on 3 May to discuss the Helms-Burton law project, which is seeking support in the U.S. Congress for strengthening the blockade against Cuba. On this issue, Alarcon stressed that people have the right to know more and to offer their views about the Helms-Burton law proposal. He added that the meetings will certainly

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gather more participants than the number of right-wing elements who participated in the U.S. Congressional session that discussed the proposal.

Voting Districts Restructured in Ciego de Avila

FL1004151495 Havana Radio Rebelde Network in Spanish 0900 GMT 10 Apr 95

[Report by Fernando Sanchez, in Ciego de Avila; from the "Doing Radio" program]

[FBIS Translated Text] Certain districts are being restructured in Ciego de Avila in preparation for the upcoming elections. Osvaldo Sanchez Partin, president of the provincial electoral commission, said that there are now 655 districts in the province, eight more than existed previously. Partin added these changes resolve certain problems, such as in cadres where members belonged to different districts, or others in which the number of voters had significantly decreased. I remind our listeners that the first round of the partial elections will be held 9 July, and the second round, where necessary, will be held one week later; the municipal assemblies with the delegate-elects will convene 30 July. The constitution requires these partial elections to be held every two and a half years, and thereby the people democratically elect their district delegates.

Lage, Construction Minister View Water System

FL0804150795 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Apr 95

[From the "NTV" newscast]

[FBIS Translated Text] Carlos Lage, vice president of the Council of State and Politburo member, and Construction Minister Homero Crabb toured Santiago de Cuba to inspect work on city's water supply system. Once the system is completed, the city will receive consistent water supply from the Carlos Manuel de Cespedes Dam. The difficult terrain has made building the system very complex. The city is currently suffering a notable decrease in water supply due to the drought and breaks in the system.

Later the two officials toured the fields tended by Paquito Borrero agricultural contingent. Since its inception 10 October, 1994, the contingent of over 800 men have almost miraculously transformed the fields, which are now completely weed free, but the men still remember how they found them.

[Begin unidentified worker recording] They were totally infested with weeds and eradicating them was extremely difficult. [end recording]

Editorial Finds Problem in Foreign Money Shortage

FL1004164295 Havana Radio Reloj Network in Spanish 1402 GMT 10 Apr 95

[FBIS Translated Text] TRABAJADORES newspaper states in its 10 April editorial that the Cuban economy must adapt to the new circumstances. The editorial highlights that each time that there is a discussion on the vital problems of the current economic situation in Cuba, their interconnection is stressed, as well as the need to approach these problems together as a whole, but it is important to comprehend which is the central cause of the current difficulties.

The editorial states that Cuba is very dependent on the foreign market, and currently, the main problem is the shortage of foreign currency for importing the resources needed in the different sectors. It highlights that ending the special period depends on the economic system adjusting to the new circumstances.

TRABAJADORES states that Cuba cannot yet claim a broad economic recovery, because of the deep decline of sugarcane production—Cuba's main export. The editorial adds that the current adverse situation could be reversed only after the next sugarcane harvest, and—due to current realities—it is still premature to claim a broad economic recovery.

TRABAJADORES goes on to say that despite positive signs in different production sectors, Cuba still cannot meet minimum essential needs. It adds that the increase in value of the Cuban currency has produced some clear first results; however, national finances are still not restored.

The editorial stresses the need to continue with the current process, and assess which of the approved measures—and new additional ones—should be implemented. It points out that financial and currency measures create foundations, but cannot increase production and amount of export goods all alone, and true solutions must come from the production sector.

Regarding how long recovery will take, TRABAJADORES ends, saying that it will depend in a good measure on the work, tenacity, patriotism, and unity of all Cubans. It adds that it is also important to stick to the implemented path, without losing heart—to carry the process to the end.

Review of Politburo's Cienfuegos Visit Under Way

FL0904211995 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Apr 95

[Report by Manuel Varela Perez, in Cienfuegos; from the "National Radio News"]

[FBIS Translated Text] A meeting is currently under way to review the Politburo's 20 to 23 March work visit to Cienfuegos. During the visit, six commissions visited 554 work centers, 234 base organizations, and 39 People's Councils in six municipalities, covering 63 percent of the province and 87 percent of the people. The main objective was to check on food production and distribution and the sugarcane industry's recovery. A meeting was later held in each municipality to identify problems and take measures to increase efficiency.

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Today the results are being studied at the provincial level. Both objective and subjective problems that were identified during the visit are being addressed. Politburo member Jose Ramon Machado Ventura is chairing the meeting; he affirmed that now is the time to increase efforts to achieve greater efficiency in every area and to take full advantage of the opportunities available to the Cuban people.

Migration Study To Be Conducted in Guantanamo

FL1004161295 Havana Radio Rebelde Network in Spanish 1155 GMT 10 Apr 95

[Report by Jose Mejias, in Guantanamo; from the "Doing Radio" program]

[FBIS Translated Text] Four of the 10 municipalities in Guantanamo have been selected as the site of an investigative study on migration within Cuba, set to begin in May. It will be kicked off in the capitals of Baracoa, Niceto Perez, and San Antonio del Sur and aims to discover the cause of the exodus, and facts relating to the phenomenon, at real or potential levels. The research, conducted by the demographic studies center and financed by the United Nations, will aid the government in making future plans for the province. Although the Turquino Plan and other social programs create conditions for development and support the well being of the mountain population, between 10,000 and 11,000 people left the province, migrating mainly to Santiago de Cuba and Havana City. According to the statistics, some 40 percent of those who migrated to other places in Cuba came from Guantanamo Municipality, which currently has over 200,000 inhabitants.

Haiti

CEP Postpones Election Dates, Revises Timetable

PA1004162995 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Apr 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The first ballot of the Haitian legislative, municipal, and local elections, which was initially scheduled for 4 June, has been postponed to 25 June, according to a Provisional Electoral Council [CEP] announcement in Port-au-Prince over the weekend. The CEP adds that the runoff, which was scheduled for 25 June, will be postponed to 16 July. This postponement is the result of a meeting held at the National Palace in Port-au-Prince on 5 April among President Jean-Bertrand Aristide, Haitian political party officials, the CEP, and the UN Mission in Haiti represented by Lakhdar Brahimi. The political parties, including the socialists—all trends together—and the National Front for Change and Democracy [FNCD], the party that brought President Aristide to power, recently denounced the seizure of the electoral apparatus by the head of state's party. This accusation has been rejected by the CEP.

We now have the revised 1995 electoral timetable:

26 March to 30 April: voter registration
30 March to 22 April: registration and declaration of candidacies
31 March to 25 April: contesting of candidacies
1 April to 12 May: study of candidacy files
13 May: official publication of the list of candidates approved by the CEP
13 to 6 May: official opening of the electoral campaign followed by the (?printing) and delivery of the ballots from 14 May to 14 June
15 to 24 June: distribution of the voting materials
23 June: closure of the electoral campaign
25 June: first ballot of the elections
16 July: second ballot of the elections

CEP To Meet With Political Parties Again 10 Apr

PA1004163695 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Apr 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] A second meeting between the Provisional Electoral Council [CEP] and representatives of the political parties will take place at the National Palace on the morning of 10 April. The CEP members must converse once again with the Haitian political class, particularly about the reshuffle of the electoral cabinet. [as heard] The question of establishing Communal Electoral Offices and Registration and Polling Stations will also be on the agenda, a reliable source reported.

Violence Continues To Mar Electoral Process in Artibonite

PA0704001095 Port-au-Prince Radio Metropole in French 1600 GMT 6 Apr 95

[From "The Midday Newscast"]

[FBIS Translated Text] Controversy over the selection of members of the electoral offices and the functioning of the BIV's [Registration and Voting Offices] in Artibonite sparked protests that left one person dead and a few injured. Our correspondent in Gonaives has this report:

[Begin Pierre Gabriel recording, in Creole] Several acts of violence marred the electoral process in Artibonite. On 29 March, a major conflict erupted inside the BEC [Communal Electoral Office]. Some citizens, under heavy threats, closed the BEC. You may recall that the BEC president in Saint-Michel had to hide at the Saint-Michel barracks for protection.

In Petite-Riviere, Artibonite, a group of people armed with blades, machetes, and knives entered the BEC building and asked the occupants to close the office. The president of the Petite-Riviere BEC was because mistreated when he tried to resist.

In the commune of Grand-Saline, in Cadron, first rural section, several individuals killed Marc Joseph with

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machetes. Joseph was in charge of the section's registration office. The individuals, identified as supporters of a particular candidate, wanted to have 150 cards made in crooked deals. Faced with the refusal of the office personnel, the gangsters injured several people and took the office registration files. This took place on 3 April at around 0930.

Several delegations from the civil mission and the United Nations arrived in Artibonite on 4 April to investigate the violence affecting the department's electoral process. Only one person was arrested in Grand-Saline; all the others managed to escape. [end recording]

OPL Leader on Possible Alliance With FNCD, Violence Charges

PA1004182795 Port-au-Prince Signal FM Radio in French 1030 GMT 10 Apr 95

[FBIS Translated Text] Negotiations between the Lavalas Political Organization [OPL] and the National Front for Change and Democracy [FNCD] are not impossible. One of the leaders of OPL has not ruled out the possibility of an agreement between the two members of this political family to reinforce the democratic process in Haiti. Gerard Pierre-Charles, leader of OPL, says this political formation does not have any interest in encouraging electoral fraud.

[Begin recording] [Pierre-Charles, in Creole] There is no problem. It is a matter of two members of a big political family, each trying to organize as best as it can to face the elections under the best conditions. In time, we will be able to resume negotiations to see how to round off the angles and how to reinforce the democratic process in Haiti.

[Unidentified reporter, in Creole] Professor Pierre-Charles, there is another problem. Members of the Nationalistic Progressive Revolutionary Party of Haiti accuse the Lavalas Platform of acts of violence against inhabitants of the Grand'Anse area and against members of Communal Electoral Office and Registration and Polling Stations.

[Pierre-Charles] Well, [words indistinct]. They must not accuse us of committing the sins that they have committed in other contexts, such as when they were supporting military regimes. We...[pauses] as a political organization supported by a large segment of the population, we do not have any interest in committing acts of violence, nor do we have any reason to engage in electoral fraud. [end recording]

Aristide Expresses Concern Over Price Increases

PA1104042195 Port-au-Prince Radio Metropole in French 1600 GMT 10 Apr 95

[From "The Midday Newscast"]

[FBIS Translated Text] On 7 April, while inaugurating a monument in memory of the boat people who have died at sea, President Aristide expressed his concern over the increase in prices. Jean-Bertrand Aristide announced to the press his intention to meet the Haitian private sector on that issue:

[Begin Aristide recording, in Creole, in progress] ...in that meeting, the wealthy people living in this country, the important businessmen, those who are called bourgeois, people who are called industrialists. Some of them are part of a governmental commission, because there is a presidential commission. We are talking with them. Those talks will bring results.

Not too long ago, I spoke with many of them who are waiting for that meeting so that we may find out together how we can work. I am ready. They told me that they were waiting for the meeting, that they were ready. Even though food costs have not dropped, even though insecurity has not disappeared, what is certain is that I will never give up when I defend the cause [words indistinct].

The Constitution is in my hand. The law is in my hand. Respect is in my mouth, my mind, my heart. Love is in my mind. The light of Toussaint's intelligence is in front of me. I am not giving up. I will continue democratically doing what is possible in the morning, in the afternoon, and at night until we see the results—especially food for people to eat, security so people may live peacefully—we are looking for. [end recording]

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Zedillo Urges Implementing Policy for Rural Areas

PA1104035195 Mexico City NOTIMEX in Spanish 1958 GMT 10 Apr 95

[FBIS Translated Text] Chinameca, 10 Apr (NOTIMEX)—Today, Mexican President Ernesto Zedillo confirmed his commitment to implement a new integral policy for the nation's rural areas based on a permanent dialogue with peasant organizations.

Presiding over the 76th anniversary of the death of General Emiliano Zapata in Chinameca, Morelos State, the president said that the agricultural sector has enormous potential and that the challenge for his administration is to carry out a major change in production.

"That change must expand the infrastructure, achieve a productive protection of the environment, improve the structure of production and commercialization, promote the necessary research, training, and credit programs," Zedillo said.

Zedillo added that the rural producers, ejidatarios, and small property owners must be recognized, because they have always been "Mexicans who take risks and make decisions each day."

The Mexican president said if that point is kept clearly in mind, "we will encourage their participation, respecting their freedom, and guaranteeing that they become the real protagonist of change in the rural areas."

The best way to honor Zapata's memory is to work together to build the future Mexico deserves, because the historical alliance between the Mexican state and the peasants is inspired in Zapata's ideals, the president added.

Zedillo said these ideals are: freedom, so as to make effective the political rights of the peasants; justice, in order to eradicate misery; and law and order, so as to protect the rights of peasants who till the earth.

Zedillo added that Zapata fought for the freedom of peasants who have tilled their lands from generation to generation to vindicate their communities and their towns, and "I will now and always be with you in that struggle."

Zedillo said "today, we are honoring the memory of Zapata, because we are advancing toward a new stage of the agrarian reform destined to create the conditions so that every peasant, town, and community can work their land with the support of the institutions."

Government: Meeting With EZLN 'Firm Basis' for Talks

PA1004150395 Mexico City NOTIMEX in Spanish 0605 GMT 10 Apr 95

[FBIS Translated Excerpt] Mexico City, 9 Apr (NOTIMEX)—The Government Secretariat has reported that today's meeting between the government and EZLN [Zapatist National Liberation Army] in San Miguel, Chiapas concluded with "encouraging" results that will allow the dialogue and negotiations to begin and continue.

A Government Secretariat communique indicated that it "values today's agreements as a firm basis to begin an uninterrupted dialogue and negotiations until the signing of the Harmony and Peace Agreement is achieved."

The signing of this agreement, it added, will be covered by the legal effects of the article of the Law for Dialogue, Conciliation, and Harmony in Chiapas, which extends the suspension of arrest warrants against EZLN leaders.

The Government Secretariat said the law is an important link in the long chain of actions undertaken by the Congress and government to foster a political solution to the Chiapas conflict.

"That legal initiative has yielded initial fruits," the secretariat stated following the meeting in San Miguel, 1,300 km southeast of Mexico City.

"In light of the urgently needed conciliation in Chiapas for a just and dignified peace and the development of the state, the results have been encouraging," the document added.

These advances are a clear demonstration that the Law for Dialogue represents an adequate means to seek a political solution to the conflict in the state "and to confirm that the government knows how to listen and talk."

"The solution of the conflict with the EZLN must be achieved as soon as possible, in view of the need to give priority attention to the problems that caused the conflict, mainly those of a social nature," the secretariat added. [passage omitted]

Government, EZLN Agree To Resume Talks 20 Apr

PA1004171295 Mexico City NOTIMEX in Spanish 1547 GMT 10 Apr 95

[FBIS Translated Text] San Miguel, Ocosingo, 10 Apr (NOTIMEX)—The government and the armed group operating in the Mexican State of Chiapas have agreed to begin formal talks on 20 April in San Andres Larrainzar in order to sign the "Peace Agreement with Justice and Dignity."

After Sunday's meeting, which ended in the predawn hours of Monday, both parties issued the "Joint Declaration of San Miguel," which they agreed to rename the "Protocol of Principles for Dialogue and Negotiation of an Agreement for Harmony and Peace With Justice and Dignity."

The agenda for the formal talks, scheduled for 20 April, consists of the "Reciprocal Measures of Detente" and

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the "Regulation of Procedures of the Protocol of Principles for Dialogue and Negotiation of an Agreement for Harmony and Peace With Justice and Dignity."

The document establishes that the process will be continuous "beyond any other consideration, event, incident, or discrepancy to guarantee its regular, orderly, and uninterrupted development."

In addition to the Protocol of Principles, representatives of the federal authorities and the Zapatist National Liberation Army (EZLN) agreed upon the following points:

To participate in the dialogue by adjusting their conduct and behavior to the basic bona fide principles in every discussion, exchange, action, understanding, agreement or compromise between the parties.

Mutual respect in the actions and interactions of the parties, including the use of language that will contribute to an atmosphere of detente and trust.

Explanation of the differences that, as a result of the actions or omissions of any of the parties, turn out to be contrary to dialogue and negotiation, after previously consulting with the affected party.

Overcoming incidents that could interrupt or obstruct the dialogue and the negotiation by resorting to the National Mediation Commission (Conai), and the Harmony and Peace Commission (Cocopa) will fulfill the duties specified by law.

Evident willingness to promote, generate, or conciliate commitment proposals to reach an Agreement for Harmony and Peace with Justice and Dignity, as well as follow-up and verification mechanisms capable of guaranteeing its implementation and fulfillment.

Complete determination to assume the necessary commitments to restore peace with justice and dignity, to promote development and democracy within the climate of freedom to which Indians and all Mexicans are entitled.

Proportional reciprocity in the actions of the parties promoting a dialogue, and negotiation and objectivity in the public information issued by the parties, which will be objective, balanced, and distinguished from propaganda material.

The holding of this meeting and the reaching of agreements complies with Article 4 of the Law for Dialogue, Conciliation, and Dignified Peace in Chiapas.

The law states that "if the dialogue has begun before the established deadline, arrest warrants and judicial investigations will remain suspended as long as there are ongoing negotiations for the signing of a Harmony and Peace Agreement.

The federal government was represented by Gustavo Iruegas, Jorge del Valle, and Francisco Javier Zenteno; the EZLN by Commanders Tacho, Ramon, David, Gevedeo, Ruben, Fernando, and Rafael; Conai by Samuel Ruiz; and Cocopa by Luis H. Alvarez, Oscar Lopez Velarde, and Juan Guerra.

After the dialogue, the government issued a communique describing the meeting as successful and a step toward ensuring that a definitive peace process will begin on 20 April.

For this dialogue, representatives of the armed group traveled to the Ejido San Miguel in Red Cross vehicles and, according to the government, under the "security" conditions that they had demanded in order to begin the peace negotiations.

The talks are scheduled to resume on 20 April in an area of strong EZLN presence located 20 km from San Cristobal de las Casas.

PRI Leaders React To Chiapas Deputies' Letter to Zedillo

PA0804042195 Mexico City XEW Television Network in Spanish 0430 GMT 7 Apr 95

[From the "24 Hours" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] [Announcer] The letter sent to President Ernesto Zedillo by eight PRI [Institutional Revolutionary Party] deputies from Chiapas prompted reactions at the San Lazaro Legislative Palace today.

[First unidentified reporter] Maria de los Angeles Moreno Uriegas, president of the PRI National Executive Committee, held a private meeting with members of the Chamber of Deputies Grand Commission, chaired by PRI member Humberto Roque Villanueva, at the San Lazaro Legislative Palace. The deputies talked to Roque Villanueva about the projects completed during this regular session. At the end of the meeting, Senator Moreno Uriegas referred to the letter sent to President Zedillo by eight PRI deputies from Chiapas State. In the letter, the deputies ask President Zedillo to initiate a political trial against former President Carlos Salinas, Jose Cordoba Montoya, and Pedro Aspe Armella for their responsibility in Mexico's economic crisis.

[Moreno] "They are talking about a political trial, and that should be done in the Chamber of Deputies. The PRI national leadership, however, does not agree with the position of these deputies. There are many things to do and to correct."

[First reporter] Humberto Roque Villanueva said this letter represents the particular position of the deputies from Chiapas, which does not imply insubordination.

[Roque Villanueva] "I do not believe this implies insubordination. This letter obviously reflects the individual views of the deputies, not necessarily those of most PRI members."

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[First reporter] In an interview at the meeting hall, Walter Leon Montoya, coordinator of PRI deputies from Chiapas, remarked:

[Leon Montoya] "We demand what the people are demanding from us: that those responsible for the crisis be identified and tried. Who decides who the culprits are? The judicial system. The pertinent investigations must be conducted. We, the deputies of Chiapas, are doing this because we are experiencing the country's economic crisis."

[First reporter] Deputy Leon Montoya said it is unfair for the population to continue to pay for the mistakes of the previous administration.

[Second unidentified reporter] PRI Deputy Alejandro Rojas Diaz-Duran said at the lectern that the letter must be respectfully reviewed and the proper legal procedures followed.

[Rojas Diaz-Duran] "This is no longer a time for impunity, privileges, or the inappropriate perquisites that have only perverted political practices and kept the Mexican state from carrying out its duties. I believe, as do millions of Mexicans, there are specific culprits behind the crisis we are all enduring."

[Second reporter] He said President Zedillo is determined to make Mexico a country of laws.

[Rojas Diaz-Duran] "No one should be above the law ever again, and no one will trample on us ever again as these men did."

[Second reporter] Carlos Navarrete, deputy of the Party of the Democratic Revolution, described the proposal made by the PRI deputies from Chiapas as sound.

[Navarrete] "If they have reached the conclusion that they should not pay for the political mistakes made during the Salinas administration—because the political costs are high—this is a very sound decision for the republic."

Secretariat: Many Businesses Not Paying Taxes

PA0804174895 Mexico City EL FINANCIERO in Spanish 7 Apr 95 p 4

[Report by Gerardo Flores and Isabel Becerril]

[FBIS Translated Text] The Mexican Finance and Public Credit Secretariat has reported the number of enterprises that do not pay their income taxes has increased greatly as a result of the economic crisis that led to the devaluation of the Mexican currency in December.

Fiscal Prosecutor Tomas Ruiz has reported there is also a large number of industries, businesses, and shops of various types that have been reporting losses or reduced profits, all of which have caused the tax revenue collapse.

At the end of the workshop "UDI's [investment units] and New Schemes for Restructuring Portfolios" held at the National Chamber of the Transformation Industry, Ruiz declined to comment on the number of exchange centers under investigation by the Finance Secretariat for illegal activities, particularly money laundering.

Eduardo Fernandez, National Banking Commission president, has said the businesses along the northern border under investigation for money laundering are not stock brokers but, rather, exchange centers, which are not at all inspected or supervised by the authorities. The Attorney General's Office is the body that should carry out this work although several agencies participate in this type of inspection activity.

Ruiz has said: "We are not sure of the exact number of involved businesses, but we are investigating." He has said he would release a public report.

Fernandez has said the responsibility of watching these operations is shared by the Attorney General's Office, the Fiscal Prosecutor's Office, and the National Banking Commission, "each in the area assigned to it."

Fernandez has insisted on the need to distinguish between an exchange center and a stockbroker. Exchange centers, linked to money laundering, can be found in hotels, restaurants, and drug stores. No legislation supervises their operation, and they are not subject to inspection and monitoring by the National Banking Commission or any other authority.

He added that no particular responsibility can be attached to financial authorities regarding these centers. "Financial authorities cannot be expected to become involved in the activities of each and every one of the enterprises carrying out exchange operations," he has said.

He added that money laundering and other illegal operations can be conducted through countless businesses and that mechanisms of identification and cooperation with authorities of other countries and the Attorney General's Office are required.

Jose Madariaga Lomelin, asked about the same subject, has said the banking authority has found no proof or evidence of money laundering by stock brokers although there are mechanisms to identify money laundering. No problems have been detected so far, however, he has said.

Labor Secretariat Reports Average Salaries

PA0804031395 Mexico City EL FINANCIERO in Spanish 6 Apr 95 p 29

[Report by Ivan Sosa]

[FBIS Translated Text] The Secretariat of Labor and Social Security [STPS] has reported that the daily average contract salary is 50.81 new pesos, but there is a wide variation among salaries ranging from the minimum wage of 18.30 new pesos earned by the 1,263,000

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contributors to the Mexican Social Security Institute [IMSS] to the communications area's average daily salary of 185.27 new pesos.

The differences in salaries among the states are also marked. While the daily average contract salary is 65.80 new pesos in the Federal District, in Zacatecas it is 29.10 new pesos, a 126-percent difference.

By sectors, the daily average in the primary sector is 30.19 new pesos; in the transformation industries, 49.31; in services, 58.79; and in commerce, 44.65 new pesos. These figures represent differences of up to 63 percent.

There are wide differences among parastate enterprises as well. While in the industry of generation, transmission, and distribution of electricity, the daily average salary is 91.77 new pesos, the lowest salary, 34.35 pesos, is paid in the CFE [Federal Electricity Commission]. This is a 167-percent difference.

By geographical and economic areas, salaries are divided into three regions. A Region includes the Federal District, Baja California, Baja California Sur, and several municipalities in Mexico, Sonora, Tamaulipas, and Veracruz states, where the daily average salary is 61.31 new pesos.

B Region includes Jalisco, Nuevo Leon, and several municipalities in Sonora and Tamaulipas states, where the daily average is 50.46 pesos.

C Region encompasses 21 states with a daily average salary of 41.31 new pesos. The overall average is 50.81 new pesos.

In Mexico State, the daily average contract salary of IMSS contributors is 50.70 new pesos; in Queretaro, 48; in Puebla, 41.90; in Tabasco, 36.30; in Nayarit, 32.30; and in Sonora, 37.50.

In the transformation industries, the daily average salary of IMSS contributors is 49.31 new pesos as a result of the balances, among other sectors, of the food preparation (47.29 pesos), tobacco (92.1), textile (46.07), footwear (34.62), paper (57.48), chemistry (86.62), and basic metalworking (69.53) sectors.

As for compensation, the STPS reports that in the manufacturing industry, the daily average in 1994 was 113.52 pesos, which was 10.8 percent more than in 1993. Discounting inflation, true recovery was 3.6 percent. The study, however, explains that this growth is based on an average of executive salaries, worker salaries, and benefits. The first increased 4.4 percent in real terms; the second by 2.7; and the last by 4.3 percent.

In the assembly for export industry, average compensations were 54.53 daily pesos, which is nominally 10.9 percent higher than the 1993 figure and 3.7 percent higher in real terms.

The report emphasizes the contrast laborwise in the construction industry. The sector's GNP was one of the highest in 1994, having increased by 6.4 percent. Employment, however, increased, and compensation decreased. In addition, 17,941 jobs were created, in particular because of the boom in large civil engineering projects. Regarding the growing demand for employment, the sector's job outlook decreased 0.9 percent.

Senate Leader Suggests Improving Trade Accords

PA0704232295 Mexico City UNOMASUNO in Spanish 6 Apr 95 p 5

[FBIS Translated Text] Senate leader Fernando Ortiz Arana yesterday suggested that the trade agreements Mexico has signed be improved. Meanwhile, Rodolfo Becerril acknowledged that the "context" of the agreements has changed following the devaluation. In addition, PAN [National Action Party] Senator Emilio Goicoechea and PRD [Party of the Democratic Revolution] Senator Ernesto Navarro agreed that the trade opening policies must be rectified or renegotiated and warned that making the economy depend on speculative capital is "extremely dangerous."

Opening the National Forum for the Evaluation of Mexico's Trade Agreements and Accords at the old Xicotencatl house, which was attended by government representatives, legislators, and business and industrial leaders, Ortiz said that "the possibilities for resolving our problems are based on the strength of our principles, the soundness of our institutions, and our ability to think and reach a democratic consensus."

In his speech, Senate Trade Commission President Becerril acknowledged that the context which served as the foundation for the signing of these agreements has changed "significantly" as a result of the December devaluation, which is why "we must study the recent merchandise trade behavior of the world and, of course, of Mexico."

Ernesto Navarro Gonzalez of the PRD pointed out that the trade deficit and dependence on speculative capital shows the external vulnerability of our economy, and even more so of the economic policies being implemented since 1993.

Slightly more than one year after NAFTA went into effect, the results in Mexico are, "to say the least, uncertain, in my opinion," Navarro maintained, whereas Becerril said that for structural reasons, the dynamics of exports triggered the "exorbitant" imports increase—approximately 22 percent of GDP—which prompted the "major" trade" [quotation marks as published] deficit that elicited, as one of the factors, the crisis we now face.

Trade Commission Secretary Goicoechea advocated the implementation of long-term exchange policies according to which the exchange rate would approach equilibrium. As for the trade agreements, he said they

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must be revised to avoid negative consequences and that they have already done "severe damage to our economy."

On behalf of the National Confederation of Industrial Associations, Gilberto Vasquez requested more support for the small- and mid-scale industries and denied that NAFTA, which the United States and Canada also signed, is the cause of the national trade deficit. NAFTA is but one alternative for solving the problems triggered by the excessive opening, which failed to take our backwardness into account.

Bankers Association President on Overdue Loans

PA0704192595 Mexico City UNOMASUNO in Spanish (ECONOMIA Supplement) 6 Apr 95 p 1

[Report by Isable Mayoral Jimenez]

[FBIS Translated Text] Jose Madariaga Lomelin, president of the Mexican Association of Bankers, has said overdue loan portfolios increased 45.45 percent during the first trimester of 1995 due to Mexico's economic crisis, increasing from 55 billion new pesos in December 1994 to 80 billion new pesos at the end of March.

Madariaga, who has participated in the Fourth Stock Market Convention, has estimated that 15 percent of the total loan portfolio of the banking system is classified as overdue, and 1.5 percent of that total is considered irrecoverable. Madariaga has said that the increase in the overdue portfolio was due partly to poor risk evaluation and that approximately 72 percent of that portfolio's clientele received financing when the banks were state owned.

Madariaga has acknowledged, however, the chance to evaluate credit risks based on better criteria was practically lost during the bank privatizations. The mechanisms for evaluation were improved, but loans are made based more on guarantees than on the feasibility of projects, and that point should be changed.

In addition, Madariaga has defined the process of bank privatization as in sui generis. Madariaga has said this process gave rise to a situation of euphoric expectations regarding Mexico's development, economic reconversion, growth expectations, and the NAFTA negotiations. The demand for banks, with a very shallow analysis of their financial situation, brought about the purchasing of these institutions at high prices.

Madariaga has said the sum paid for these banks will not have been so high if the economic expectations that were offered had come true. Neither would they have been so expensive had the health of the banking institutions been what the government believed them to be when it offered them for sale.

Madariaga has said: The truth is the state of the banks was very poor, deficient in productivity, technology, modernization, and the professionalism of its bankers, who did not know how long they would be in charge of the institution.

For this reason, there was greater interest in short-term results than in a medium- and long-term consolidation of the banks. That is how the banking sector was bought. The owners proceeded to modernize and to strengthen the institutions, and the banking sector was perceived in Mexico as a more solid and productive institution despite its deficiencies.

Madariaga has said, however, a critical situation in the economic area in December 1994 arose, bringing as a result surprise and anger and causing the severe problems in the banking sector in three areas: first, devaluation, which did not put at risk the stability and solvency of the banking sector; second, an increase in interest rates, which affected the profits of the institution, caused a serious problem, not only because of the costs of its assets and liabilities but because of the securities and bonds positions held by the banking sector.

The third point was the foreign debt contracted with foreign institutions or investors, through the Certificates of Deposit, which to a great extent the institutions have not been able to renew and have had to absorb. Madariaga has said these three aspects have created a critical situation in the banks.

Madariaga has said the credit institutions have received support from the government to guarantee their solvency, to offer security to investors, and to fulfill their national and international interbank commitments.

Madariaga also believes the financial institutions will face a number of problems for a long time. The financial institutions must face and overcome a number of obstacles. Madariaga believes positive economic growth will first take place before the problems within the banks are reduced. This will still be an overdue portfolio year, because if a lowering of interest rates is expected in the next few months, the crisis will have severely affected many companies. In addition, if the total support is for 140 million pesos, that amount is only 20-25 percent of the total loans made by the system. For this reason, Madariaga has said it will not be until 1996 before a declining index will be evident.

Says Financial Stability in Sight

PA0804210595 Mexico City EL FINANCIERO in Spanish 7 Apr 95 p 4

[Report by Isabel Becerril and Gerardo Flores]

[FBIS Translated Text] Jose Madariaga Lomelin, president of the Mexican Association of Bankers (ABM), has warned that although the country has started to get off the dark roller coaster of financial woes and although the market stabilization process is about to be consolidated, companies will face new difficulties with the real economy within the next three months.

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After saying that investment units (UDI's) will be operating throughout the banking system within the next two weeks, he pointed to the problems that the manufacturing sector will face within the next few months: larger contractions in the market, drops in sales, and difficulties in obtaining new loans.

He explained to manufacturing industrialists that it is possible to forecast that interest rates will slowly but surely begin to drop, due to the stability of principal financial indicators in the last few days.

Madariaga cited the turbulence in financial markets and the instability of both exchange and interest rates, which significantly reduced the ability to plan for the future, as the most significant phenomena in the three months since the crisis began on 21 December 1994.

In his opinion, no situation is more distressing for a businessman than the prevalence of expensive credit and no solutions. "These situations change our attitudes, because we are unable to plan ahead."

"We are now beginning to see the light at the end of the tunnel. Mexico is undergoing a market stabilization process. But we cannot say that current prices will remain unchanged, but at least we now have an indication that problems can be solved after all."

Addressing the nation's industrialists, the ABM president explained that the economic plan could yield good results and fuel processes that might result in low inflation within the next few months.

During his speech to the National Association of Manufacturers—broadcast by Satelitel—Madariaga stressed that Mexico is beginning a phase where financial markets will not be the major concern. He underscored that UDI's will trigger a solution: Businesses can now plan what to do with the available capital flow and credit.

Within this reorganization scheme, "which will be quite important in the future," one of the major problems will be tackled: the businesses' expired portfolios.

This is why he asked industrialists to analyze their companies' viability and immediately submit a report to the banks with which they conduct business in order to ensure that their liabilities will be selected for reorganization.

Banks will need "a few more days" to implement the debt reorganization mechanism. Most credit, however, must be eligible and viable for negotiations.

The bankers' leader added that companies with credit exceeding 400,000 new pesos will participate in the scheme. "We will make those 76 billion new pesos to be used within UDI system glitter as much as possible."

Finally, the ABM high-ranking official stressed that the UDI system will be operating within the next two weeks and that this is why banks are retraining their staffs in all areas.

SHCP Reports Slow Growth in Industrial Production

PA0804230795 Mexico City LA JORNADA in Spanish 7 Apr 95 p 48

[FBIS Translated Text] The country's industrial production grew slowly in January, despite registering a growth rate of 3.7 percent when compared to January 1994, when production levels were low, the Finance and Public Credit Secretariat (SHCP) announced yesterday.

According to the SHCP, the country's manufacturing industry registered an annual growth rate of 4.3 percent in January. The fact that the comparison base, namely, the results of January 1994, fell 1.9 percent had a bearing on this year's results, the SHCP said. Manufacturing production volume in January 1995 was similar to that in December 1993.

In breaking down the production figures, the SHCP reported the production of capital and nonperishable goods dropped, falling 1.3 percent and 10.3 percent, respectively.

In contrast, nationwide production of intermediate consumer goods and perishable finished consumer goods jumped 7.4 percent and 4.9 percent, respectively, as a result of a steep cutback in imported goods of this type.

The SHCP noted that mining production increased 1.9 percent in January, as a result of 5.6 percent growth in non-oil mining and a 0.9 percent decrease in oil mining.

The construction industry showed annualized growth of just 1.6 percent in January, which contrasts significantly with the elevated growth rates of over 7 percent registered during the second half of 1994.

Production of electricity, gas, and water, rose 8 percent, mainly because of increased supplies of power to homes, major retailers, service businesses, and export industries. Sales to medium-sized and small producers remained unchanged.

Editorial Criticizes Cox Proposal for Loan Conditions

PA0804120995 Mexico City LA JORNADA in Spanish 7 Apr 95 p 2

[Editorial: "More Conditions for Loans to Mexico"]

[FBIS Translated Text] U.S. President Bill Clinton's conflict with the U.S. House of Representatives over the financial package to Mexico persists, despite the fact that a portion of the special funds the U.S. President granted the Mexican Government has been used to meet short-term debt payments.

Now, California Representative Christopher Cox, a Republican, has presented in the lower house a draft bill related to defense spending which includes an initiative that seeks to reduce the amount of the loan foreseen by

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Clinton and to freeze the granting of a new package of financial support for our country in the form of credit guarantees.

The Cox clause, which the U.S. legislators included in the articles of the aforementioned draft, makes the new loans conditional upon the White Houses's timely reporting on the progress of the Mexican economy, bilateral consultations between the Mexican and U.S. Governments, and eventual meetings that Mexican finance officials may hold with the Inter-American Development Bank and the IMF (that is, meetings between the country and the lending organizations).

In this way, what the Republicans present to their electors as a mere action to guarantee the punctual return of the U.S. loan to Mexico acquires the unequivocal nature of open interference in the economy (and, consequently, in the policy) of the nation. It is one thing to adopt prudent measures so a debtor nation will pay its debts, but it is something else for the creditor to become an overseer of the actions of the loan recipient.

The inquisitorial attitude of the Republicans is not gratuitous or the product of the well-known meddling habits of that country. It falls within the demented logic of a world financial system that has turned the majority of developing nations into virtual hostages of international credit organizations.

The policies whose purported end was to promote the development of credit, especially promoted and applied during the past ten years, ended up degenerating into a regime characterized by a growing imbalance between poor and wealthy nations, harsh conditions for the refinancing of credits that were overdue or almost due, and foreign debts whose interests make them unpayable or which can only be partially paid off by condemning vast sectors of the world population to poverty.

If the current economic system does not end up defeating itself through its own imperfections, it will be necessary for superindustrialized nations and international credit sources to review their criteria of action. Otherwise the world economy in general will find itself in a blind alley.

Economic, Commercial Accord Signed With EU

PA1004185795 Mexico City NOTIMEX in Spanish 1522 GMT 10 Apr 95

[FBIS Translated Text] Brussels, 10 Apr (NOTIMEX)—Mexico and the EU signed a long-term cooperation agreement today to strengthen economic and commercial ties.

The document, signed in Luxembourg with the unanimous approval of the 15 EU member-countries, states that bilateral relations must be promoted through a new agreement "that will help increase stability."

In the political field, both sides committed themselves to strengthen dialogue and increase consultations within international organizations. The initial EU proposal to conduct biannual presidential summits was not included in the final document.

"This agreement will be implemented through meetings at various levels, including top-level meetings between Mexico and the EU, the details of which will be coordinated by both sides, the joint declaration said.

To balance commercial ties between Mexico and the EU, it was agreed to create a favorable framework to develop the exchange of merchandise, services, and investments.

Mexico has a chronic commercial deficit with the EU, which has increased during the past few years after the fall of oil exports to some EU countries.

Between 1990 and 1993, imports from the EU increased from $4.5 to $7.3 billion, while Mexican exports to that market during that same period dropped from $3.3 to $2.7 billion, according to statistics issued by the Bank of Mexico.

The declaration takes into consideration that specific goods, including agricultural products, could be initially excluded from the negotiations.

Economic cooperation will be intensified by strengthening programs to support enterprises on both sides, as well as cooperation in the environmental, industrial, scientific, and technical areas, opening new opportunities for Mexican participation in EU projects.

Both sides agreed to conduct the necessary consultations and internal procedures to begin negotiating an agreement, without establishing any specific date.

Mexico asked the EU to postpone until 1996 the beginning of negotiations on this agreement while the country's economic situation stabilizes.

The EU has followed recent economic developments in Mexico with great interest in view of their effects on many markets.

Between 1989 and 1993, EU direct investments in Mexico practically doubled from $2.5 to $4.9 billion, according to official statistics.

Mexico is Europe's primary partner in Latin America.

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Belize

Government Announces Public Servants Wage Freeze

FL0904223295 Bridgetown CANA in English 2033 GMT 9 Apr 95

[FBIS Transcribed Text] Belize City, April 9, CANA—The Government of Belize has formally announced a freeze of public servants' wages for the next two years. The wage freeze became effective April 1.

Acting Prime Minister Dean Barrow, in a nationwide radio and television broadcast announcing the move, said government had chosen the wage freeze because it was the "lesser of three evils"—the other two being retrenchment of public officers and/or salary cuts.

Both the Public Service Union (PSU) and the Belize National Teachers Union (BNTU), the two largest unions in the Central American nation, have rejected the wage freeze. In a last ditch effort to avert the wage freeze, the membership of both the PSU and BNTU, at an emergency meeting in Belize City, passed a motion calling for a six-month moratorium on the wage freeze proposals. This would give them enough time to decipher if the cost-cutting measures the unions had counterproposed would work.

Barrow, who took over the negotiations between the unions and government from Prime Minister Manuel Esquivel, rejected the call for a moratorium, saying that government's finances were in such bad [words indistinct] was risky to wait.

"What the membership of the unions demanded is clearly not possible," Barrow said Thursday. "Government cannot run the risk of increased borrowing to pay increments it cannot afford or it could well endanger the exchange rate of the Belizean dollar... the objectives are macroeconomic stability, a predictable and conductive investment climate, and controlling the cost of living for the Belizean consumer." Barrow added that government, "will get the deficit under control and keep the dollar stable no matter what the short-term political costs." The government, just prior to the formal announcement of the wage freeze, offered both unions the dividends from 480,000 ordinary shares in the Belize Telecommunications Limited (BTL) and a million dollars per annum from the new Economic Citizenship Investment Programme for soft loans and small entrepreneurial importation of housing construction materials and furnishings if they—the unions—would agree to a one-year wage freeze. That proposal put forward by Barrow was overwhelmingly rejected by the unions. The opposition People's United Party's (PUP) Deputy Leader Said Musa called the nationwide radio and television address by Barrow a last "desperate attempt to cover up government's breach of contract with teachers and public officers." Musa accused Barrow of using selective statistics to obscure the facts and the real situation.

"The increment freeze is a demonstration of arrogance, and the breaking of a legal and moral contract with teachers and public officers," Musa said in a statement also broadcast on radio and television. "The prosperous Belize of 1993 is no more," Musa said. "Belize has fallen victim to a mean-spirited political agenda which has killed confidence, dazed our people, victimised thousands, and had thousands more living in fear of losing their jobs." Musa said the only logic that could be drawn from the government's move was that it would punish the people now and show themselves up a few months before the next general election when "by a stroke of economic miracle, they will tell the Belizean people that they have rescued us."

The acting prime minister, in his address to the nation, blamed the last PUP administration for the actual economic crisis the country now faces.

Guatemala

Minister on Court Resolution on Income Tax Law

PA0704195095 Guatemala City PRENSA LIBRE in Spanish 6 Apr 95 p 94

[FBIS Translated Text] Finance Minister Anna de Molina said yesterday the Finance Ministry will fail to receive more than 620 million quetzales in taxes and percentages that will not be paid by businesses this year, because a Constitutional Court resolution has granted them provisional protection against modifications to the Income Tax Law.

The court's disposition has left in suspense Articles 14 and 15 and part of Article 17. This disposition annuls taxes which had been in effect since 1992 and which the court had declared valid. This included fees on savings, interest of any kind, rents, professional services, and royalties, as well as definitive taxes imposed on transport enterprises and tariff-percentages on businesses.

The minister said: This will have an impact on the fiscal policy, given the reform is based on the income tax, because the value-added tax will be in effect until 1996.

Minister de Molina said: The court has affirmed it has temporarily suspended these reforms to prevent irreparable damage, but it did the opposite. She added: If the court found editing errors in the document, it should have reviewed it and then recommend corrections, not leave the reforms without impact while it works on a definite resolution, because this causes the country much harm, as investments will be reduced.

De Molina said the country may have to return to the budget figures of 1993, something which represents a move backward. In addition, she said, if the impact produced by the court ruling is not compensated, there will be no possibility of proceeding with the signing of the Sombra Agreement.

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De Molina said: This is a source of international support that would open the doors for Guatemala to appear before the international community, the Consultation Group, on 21 June, to request funds that would be assigned to projects resulting from the peace agreement. The International Monetary Fund has backed the objectives of the government, but the state's financial situation at this moment is defenseless because of the ruling.

The minister said the two organizations responsible for the fiscal reform will evaluate possible alternatives to compensate for the impact produced by the ruling.

The minister said: We respect the court's decision but cannot use legalisms to keep justice from prevailing, and justice must be implemented in social terms in order to benefit the majority of the people who expect the state to have the financial capability to handle social demands that have been ignored for a long time.

Yesterday, the government did not discard the possibility of increasing customs to face the court imposed temporary suspension of an important fiscal-reform law. Such an increase would represent a severe setback to Central America's commercial-integration process.

The Constitutional Court has sanctioned a suit filed by private businessmen against several tax related articles of the Fiscal Law, and this measure, Minister Anna de Molina said, will create serious liquidity problems.

This event, the minister added, is a regrettable one. She affirmed the ruling will create uncertainty among taxpayers, but we hope, she added, they will continue being receptive to the government's call for compliance with the Treasury.

Honduras

Reina Views Approval of Voluntary Draft

PA0904174095 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 7 Apr 95

[Telephone interview with President Carlos Roberto Reina Iriaquez, place not given, by Raul Balladares in the network studio in Tegucigalpa; from "The Morning Paper" newscast—live]

[FBIS Translated Text] [Balladares] Good morning, Mr. President, what could you tell the Honduran people now that Congress has approved the voluntary draft?

[Reina] It is an honor for me to address the Honduran people today through this friendly radio station to express my most sincere congratulations. I congratulate the Honduran youths, the Honduran mothers, people in general, all legislators, and the Armed Forces for taking this significant and historical step you have taken, a fact which our people in general were demanding to be approved.

This type of draft was indeed what was seriously offending Honduran youths and homes, and this approval now dispenses with it. This is a new phase in the independent life of the Republic of Honduras; it is an achievement it has made toward the new century and is part of the moral revolution which emerged as a campaign demand and which is reflected in the resolve of a Congress that serves its people loyally.

I believe this is a joyful day, because Honduras gains a great deal of prestige thanks to these kinds of achievements. We must not heed the voices that may oppose this decision, but the good sense, the love for the fatherland, and the loyalty to the Morazanist principles, regarding the fact that we cannot win battles with men who have been forcefully drafted, are filling us with joy in this historical moment for the Republic.

I began this struggle, but the merit goes to all those who have participated in this expression of civic resolve, the reason why I am quite pleased. The National Congress has taken this step in a concerted, extraordinarily expressed, and extraordinarily debated fashion. I congratulate congressmen and embrace them for their loyalty to the people.

It is not a matter that the duty or the obligation to serve the fatherland no longer exists. We all become soldiers the moment the fatherland needs us. We all must have the discipline that makes us better citizens by day. We all are willing to contribute to the national sovereignty and the constitutional principles. This, of course, makes us proud.

The moral revolution I am honored to head has taken a significant step. There were obstacles, of course, but the people expressed their resolve through their legislators and through the initiative we took at the executive branch. The merit goes to all of us who have repudiated the violent practices to recruit people, practices we have changed into voluntary means for the citizens to express the loyalty they have for their fatherland, the reason why I want to stress my congratulations, solidarity, and happiness, and joy for the manner in which the National Congress has approved the voluntary and educational draft.

This statement is what I basically wanted to say. I wanted to express solidarity with all those who have struggled with that aim in mind, which is the right aim and path toward the new century.

[Balladares] Mr. President, Congress President Carlos Roberto Flores has said this approval is an achievement for the people. Did you ever believe the parties that oppose the ruling Liberal Party were going to support this initiative?

[Reina] I am saying with absolute sincerity that I always had faith this would be approved, because the voices that opposed it were isolated; they represented individual feelings. After I made consultations, and as reflected in a poll conducted in one of the departments, we had nearly 100 percent support for the way we believe military

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service should be consolidated. Thus, I never thought this point would be rejected, because in humanity and its entire history, prudent people have ended up making the great decisions, and this is what has happened in Honduras.

The voices that have opposed this important progress for some personal motivation could do nothing. I reaffirm my congratulations to all sectors. Merit belongs to the people, because they put in power a legitimate government which has honored its promises and which is absolutely loyal to the will of the majorities.

[Balladares] Mr. President, was the support of your party's bloc and of Congress President Carlos Roberto determinant?

[Reina] Congress President Flores, the entire directorate, and all those who guided this matter in the correct direction are part of this grand triumph. This implies that the behavior displayed by the party, which holds a majority in the government, and the opposition party, which acted with great prudence, demonstrates there are no partisan policies but, rather, national goals when national interests are at play. And just as we achieved this national goal together, we must continue on this path which, I insist, will lead us to a new phase, a new era, the era of respect for human dignity. We will not face a new century but a new era, and these decisions are essential pillars of the progress of the people. I congratulate the entire Honduran nation, because we have achieved a milestone, an essential goal for the dignity of our youths and our people.

[Balladares] Finally, Mr. President of the Republic, I would like to voice my deepest sympathy because of the death of your nephew, Mario Reina. I was unable to do so at the wake or funeral. I want to ask you with the utmost respect. Mr. President, there has been speculation that the aircraft carrying your nephew and three others was sabotaged, that the gasoline was mixed with water. What can you tell the Honduran people? What are your thoughts about this matter?

[Reina] First, I would like to voice my deep gratitude for the immense expressions of solidarity I have received as a result of the loss of a nephew who was like a son to me and who was blossoming into a great personality in our country. He was a man for whom there were no problems, for whom serving others was the main goal in his life. God calls on his best sons to be on his side to fulfill missions about which only he knows. We have started the difficult path of resignation. The immense pain will never disappear but will only be eased with the passing of time.

Thanks to you so very much, because those expressions have been extraordinary. They have included those of a world leader, the UN secretary general, who was filled with emotions, as he has said, when he approached my most dear nephew's coffin. This blow has dismayed us, but the country must move forward, and those heroes and martyrs of a very great struggle will stand as witnesses of the goodwill we have displayed in this struggle.

On the speculation to which you referred, I believe there have been misinterpretations. I do not believe the aeronautics director has said what has been attributed to him. He has said there are many theories when an incident occurs, but those theories have been ruled out.

What has been established is that the aircraft suffered failures that are being carefully studied. I have ordered that no Armed Forces or Air Force aircraft be flown until the investigation is completed. I believe there was nothing abnormal about this accident. It was fate. It was the domino theory; that is, several small causes led to this fatal accident that took the lives of great Hondurans who were headed for San Pedro Sula to continue working.

We have expressed solidarity to the relatives of the other victims, and we have an immense void now and feel a lump in our throats every time we refer to this Honduran who has served us so well, had such a great future, and has served the government of the moral revolution, which I am proud to head, in an exceptional manner.

Nicaragua

Assembly President on Impasse in Government Talks

PA1104043795 Managua Radio Corporacion in Spanish 1230 GMT 10 Apr 95

[From the "News Trench" newscast]

[FBIS Translated Text] There will not be more meetings between the National Assembly and the government at the UN office, National Assembly President Luis Humberto Guzman affirmed this morning.

The last meeting convened by UN envoy Dr. Francisco Vincenti between representatives of the executive and legislative branches was held last Friday. This morning, Assembly President Dr. Luis Humberto Guzman said that his representatives will not attend any more meetings, unless meetings are called to implement the amended Constitution.

Dr. Guzman remarked that he welcomes the calls by Cardinal Miguel Obando y Bravo for the state branches to seek a solution to the institutional crisis. He added that instead of criticizing, political leaders should recommend practical solutions.

For us at the National Assembly, a solution will only be possible if the executive branch observes the existing constitutional reforms, which are a reality, the assembly president highlighted. Let us listen to Guzman:

[Begin recording] [Guzman] No, that is absolutely false. No date has been set for holding new meetings between delegations of the National Assembly and the executive branch. That is absolutely false.

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Garcia were nominated by the UDC [Christian Democratic Union], while Josefina Ramos and Henriquez Clair Harlan Kent were backed by the Ramirista group.

The absence of the diplomatic corps, including representatives of the Group of Friends of Nicaragua, comprised of Mexico, Canada, Netherlands, Spain, and Sweden, from the afternoon swearing-in was pronounced.

U.S. Ambassador John Maisto did not attend either. He was represented by a secondary official, which was interpreted as "an insult to the deputies."

No representatives of the executive or electoral branches attended. Of great significance was the absence of the current Supreme Court magistrates, which might mean that they do not recognize the election, conducted under the auspices of the *Constitutional Reforms*.

The election of new magistrates took place in the morning. Twenty-one deputies from the Center bench and the Sandinist Front were absent. The executive branch had warned that it would not recognize the election if held before the Supreme Court's ruling on the legal controversy between the executive and legislative branches.

Eleven Center bench deputies walked out of the session as the new magistrates were about to be elected. They protested the nonacceptance of their request to suspend the election until after the Supreme Court of Justice announces its ruling on the *Writs of Amparo and Unconstitutionality*.

FSLN [Sandinist National Liberation Front] Keeps Its Distance in the War

The 10 Sandinist Front deputies did not participate in the election "in order not to legitimize an action that will not contribute to finding a solution to the war between the government branches," according to Deputy Nathan Sevilla.

Meanwhile, Deputies Alonso Porras (of the Ramirista group) and Juan Ramon Aragon abstained, saying that the legality of the election had been called into serious question by various sectors.

After leaving the Assembly, Dr. Fernando Zelaya Rojas said that the election of the magistrates was illegal because the Supreme Court of Justice has not issued a ruling on the *Writs of Unconstitutionality*.

Other deputies, including Gustavo Tablada, said the election will not be valid without the court's ruling. Jaime Bonilla of the PLC [Constitutional Liberal Party] said the election was imposed by the congressional triple alliance dominated by the Ramirista group.

It is expected that the executive branch will not recognize the election of its candidate Rodolfo Sandino Arguello, a conservative, as it would thus indirectly recognize the validity of the *Constitutional Reforms*.

Presidency Minister Antonio Lacayo Oranguren warned Wednesday night that President Chamorro's government would not recognize the new magistrates.

Lawyer Roberto Arguello Hurtado described the situation as "very complex and heading for the worst, unless an agreement is reached between the branches of state. We are heading toward juridical anarchy which could endanger the government's legitimacy," he added.

What will happen today? was one of the main questions circulating yesterday in the country's political and judicial groups. The jurists are divided on the issue: Some believe that Nicaragua now has two Supreme Courts and already has two *Constitutions*, while others believe that there is only one *Constitution* and thus one Supreme Court of Justice.

The new magistrates will be installed today at the Supreme Court of Justice. The question is: Who will install them? Worse yet, who will pay them? These questions remain unanswered.

Even the elected magistrates are wondering what will happen. Dr. Julio Ramon Garcia Vilchez said it is difficult to know what will happen today: "The first thing we will do is try and contact the magistrates who are now members of the court, gauge their reactions, and act accordingly," he stressed.

System of *Co-Judges* Eliminated

Yesterday the plenum of the National Assembly also approved a reform to the *Basic Law on Courts*, changing the quorum in the Supreme Court of Justice, which will now be nine of 12 magistrates. Resolutions will be approved now with yes votes by at least eight magistrates.

The reform eliminated the system of *co-judges*, a juridical device that had been an institution in the country. The system of *co-judges* was used to replace magistrates during their temporary absences.

Panama

Perez Balladares Advocates Labor Code Modifications

PA1004190495 Panama City EL PANAMA AMERICA in Spanish 10 Apr 95 p E-16

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] President Ernesto Perez Balladares said yesterday that the Labor Code should be modified because it has already fulfilled its role of protecting workers and because the days when workers were exploited due to the lack of legal protection are over. Perez Balladares made the statement during a ceremony commemorating the 50th anniversary of the Fire Department in Chiriqui.

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According to Perez Balladares, employers and workers no longer see each other as "irreconcilable enemies," because the Panamanian State has changed and is not the same as when the Code was promulgated in the seventies.

"The differences between the two labor sectors have been overcome. Both sides understand that the survival and growth of enterprises depend on harmony and productivity, aspects that are not guaranteed in current laws," Perez Balladares said.

I must admit, he added, that sectors participating in the discussion of reforms to labor laws have been very disposed toward reaching agreements. "Neither the workers nor the government have tried to impose their own criteria during the discussions," he noted.

"I can say with authority that my government is complying with its commitment to consult all affected parties. That is the most effective mechanism for governing," he concluded.

Government Concerned Over Shortage of Canal Area Police

PA0704201895 Panama City EL PANAMA AMERICA in Spanish 6 Apr 95 p 1

[Report by Arnulfo Barroso Watson]

[FBIS Translated Text] A high-ranking government source has disclosed to EL PANAMA AMERICA that the government is afraid that the shortage of members of the Canal Area Police to guard important installations and land that will revert to Panama this year will facilitate the seizure of these assets by criminals and squatters.

The source said that the Interoceanic Region Authority (ARI) is willing to divert funds to the National Police to hire new members this year to "considerably" reinforce the current 300-member Canal Area Police.

The source added that the ARI and the Panama Treaty Affairs Executive Directorate (DEPAT) have asked the Southern Command to resume joint patrols in the areas that are being reverted to Panama to prevent robberies and land seizures in those sites.

In the course of this year, "gigantic" installations such as Forts Davis—which is four and a half times bigger than the city of Colon—Gulick, and Espinar [as published] will revert to Panama.

"If we do not protect these installations, the same thing that happened in other sites, but on a larger scale, will occur there, with the theft of toilets, washstands, plumbing, etc.," the source said.

The source also mentioned the reversion in 1996 of Fort Amador, where a tourism complex will be built. He explained that at low tide, it is easy to walk from Chorrillo to the tip of the military complex. He said that, added to the lack of security, this will facilitate the activity of criminals.

According to the source, the Canal Area Police discovered that residents of Arraijan plan to seize during Holy Week large areas of land that are located just after the Bridge of the Americas and are owned by the National Savings Bank.

"Something dreadful has occurred in Arraijan. Due to the suspension of the joint patrols, the huge demographic expansion in that location is moving toward the areas specified as brown in the treaties," he said.

The source warned that the National Police must find formulas to move members from the rest of the country toward the canal area in the second half of the year.

Article Applauds Departure of Southern Command

PA0804185995 Panama City LA PRENSA in Spanish 7 Apr 95 p A-33

[Article by Roberto Arosemena Jaen: "Southern Command and Panama"]

[FBIS Translated Text] The Clinton administration has decided that Miami, Florida, will be the next headquarters of the Southern Command. Panama was yesterday's chosen site. By virtue of Article 4 of the Panama Canal Treaty, Torrijos gave the United States the power to station U.S. military forces in Panama for the specific purposes of the Treaty and "as the two governments may otherwise agree on, which are contained in Paragraph 1 of Annex A of this agreement."

Annex A states that defense sites and other installations Torrijos granted to the gringos are not described and identified in a definite manner and that a more precise identification will be agreed by the Joint Committee. SOUTHCOM does not appear anywhere, and because it is located in Panama, until it goes to Miami, one supposes this is so by virtue of some agreement of the Joint Committee.

SOUTHCOM is leaving Panama, and the military bases are staying until the United States so decides. The use of our territory for war purposes depends on the will of the U.S. Government. The United States may withdraw its military bases at any moment with a mere notification that "they are no longer needed." The United States is stationing military bases all over its territory, and it seems Panama, by virtue of the Torrijos-Carter Treaties, is making it easy for the United States to maintain or remove its bases in line with the priorities of its budget.

The decision by the Panamanian state in January 1964 on using its entire territory for its economic and social development and freeing Panama of the threat of war and gringo military installations was not implemented because of the Panama Canal Treaties. On the contrary, the Treaties are an obstacle to the economic and peaceful

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use of the Canal and the interoceanic region. SOUTHCOM will depart and may return at the most unexpected moment, even in a military action against Panama under the pretext of guaranteeing its contractual interests.

Nobody is expecting SOUTHCOM to organize an invasion to topple the Florida governor, and yet it has already started organizing one to revitalize the PRD [Democratic Revolutionary Party] and to install the 11 October pirate's flag at the presidential palace.

Panamanians who support the presence of SOUTHCOM in Panama have lost the battle despite survey results in favor of maintaining the aggressive militaristic enclave in the area of the greatest economic potential for the country.

The military bases and the strategic commands of a power do not have to give employment nor benefit the members of any chamber of commerce. Listening to this sort of remark is painful. That means ignoring the ruthless logic of war. Armed aggression and dissuasion against armed aggression is the reason why military commands and bases exist. I hope the morals of the world become such that this cruel way of giving employment and generating temporary wealth is eradicated. "Food for today, hunger for tomorrow," and we still do not learn from that dark part of the world that bleeds to death over some oil wells and some kilometers of land and jungle.

Many Panamanians do not want to understand the way the world is evolving. It is heading toward an intelligent coexistence based on merit and dignity. People here want to maintain aggressive and defensive coexistence based on the merits of police brutality and military arrogance. Warmongering, even one glamorized by the Latin slogan If You Want Peace, Get Ready for War, is only good business for the employees of the military base and the manufacturers of weapons of terror.

War industries are obsolete in today's world, and Panama cannot encourage them based on compliance with the Treaty on the Operation of the Panama Canal (inappropriately named Neutrality Treaty), which is nothing more than a treaty on military bases and an aggressive handling of the Canal. The upcoming withdrawal of SOUTHCOM from our country must encourage us to define a national policy that rejects war and leads to a constitutional definition of a neutral country that in a sovereign manner bans its participation in military alliances and unilaterally declares itself neutral territory for peace and world maritime transportation.

Diplomacy and the nonviolent mobilization of all citizens is the way to achieve the permanent functioning of the different modalities of the passageway, be it the Canal, railroad, highways, and roads. In this regard, we must ultimately applaud SOUTHCOM's departure from Panama, without forgetting the necessary dismantling and clean up of the military bases and the postponable denunciation of the Treaty on the Operation of the Panama Canal (inappropriately named Neutrality Treaty) in order to be able to visualize a prosperous future free of fears.

A plough will replace the sword, a school and workshop will replace the military base, and the militarized interoceanic region will become a farming, industrial, tourist, and commercial complex.

The Torrijos-Carter Treaties, instead of eliminating the military bases, authorize them until 31 December 1999 and shamefully declare so in the ratification document: "Nothing in this Treaty precludes the Republic of Panama or the United States....from reaching any settlement or agreement...for the stationing of any U.S. military forces or maintaining defense sites in the Republic of Panama after that date" (31 December 1999).

The Panama Canal and interoceanic region authorities created by law and the Constitution, respectively, are more than authority; they are the serfdom of the Canal Treaties. Instead of setting the basis for the Panama wanted by all, the treaties shatter the hopes of saying never again.

The initial result of these treaties was not the withdrawal of the Southern Command but, rather, its remaining until now, not to mention Noriega's Battalion 2000 and the 20 December invasion. We have yet to fulfill the 9 January 1964 commitment.

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Argentina

President Menem Views Patents Law

PY1004164495 Buenos Aires TELAM in Spanish 1929 GMT 8 Apr 95

[FBIS Translated Text] Buenos Aires, 8 Apr (TELAM)—President Carlos Menem today reaffirmed that he has until 12 April to decide on vetoing the Patents Law. He said that 10 points of the law that was approved by Congress do not coincide with international rules and regulations.

Menem said: "Regarding the Patents Law, there are at least 10 points on which there are differences between the law voted by Congress and international legislation."

During a chat with journalists at the metropolitan airport—after suspending his trip to Rio Cuarto due to bad weather—Menem said he has until 12 April to "veto or not veto" some articles of the law.

Asked if the Patents Law that was approved by Congress could create an unfavorable atmosphere for Argentina within international banking circles, Menem said: "If the United States adopts that position and the EU adopts a similar stance, what can we do?"

The chief of state warned: "This is what we Argentines and our congressmen must consider. If this situation again isolates us, severe problems will reappear at the international level—with repercussions at the national level."

Menem said: "This situation creates a conflict of laws, and one has a higher status than the other. In other words, the conclusions of the Uruguay Round of GATT talks have become law and we also have our national legislation (approved by Congress)."

He added: "We will see how we can resolve this, because it is evident that conflicting laws cannot go into force."

The chief of state said: "At least 10 points will cause controversy. We face constant problems over the differences between the GATT conclusions and this legislation approved by Congress."

Vice Foreign Minister Fernando Petrella stressed that the approval of the Patents Law must not only be viewed from the point of view of the United States, because on 7 April EU Ambassador to Argentina Dieter Oldekop presented a note on the Patents Law.

Petrella said: "I have not seen the note, but Mr. Oldekop reported on 7 April that he submitted his viewpoint. This will cause a broader evaluation and other prospects than just having to answer the United States."

Asked if the EU attitude indicates that the main powers are jointly operating against Argentina, Petrella said: "I cannot make that interpretation."

The official told Radio Mitre: "The topic is still being studied. It must be made very clear that we cannot now make an interpretation on how the position of one can be harmonized with that of others."

Asked if the Foreign Ministry would answer the U.S. Government or the EU, Petrella indicated that before that happens "the topic must be studied at several government levels."

He explained: "I believe the Foreign Ministry is used to make the country's opinions known, but this topic is of interest to several levels" of the public administration.

He also denied that the Argentine Government is sending an envoy to the United States, or that an official from that country will come to specifically discuss this case.

Petrella said: "We have no knowledge that anyone is going to that country or coming from it. I make this very clear because the media has reported that the Foreign Ministry stated (?that someone was coming) or that someone was going."

[Buenos Aires TELAM in Spanish at 0003 GMT on 10 April reports: "President Carlos Menem on 9 April indicated that a regulation would adequately solve the controversy regarding the Patents Law. He stressed that the essence of the law approved by Congress will not be altered.

'We can possibly resolve this topic through a regulation without changing the essence of the legislation,' Menem maintained, when interviewed during a program organized by the Media Secretariat.

The president added: 'Regarding patents, there is internatio al legislation on it; in other words the conclusions of the GATT.'

He said: 'Under the reformed Constitution, international rules and regulations take precedence over national legislation.'

He added: 'We can make them compatible so that this law can be fully enforced. This will be based on the conclusions of the Uruguay Round of GATT talks.'

He said: 'These conclusions have been ratified by our Congress, and they were also signed by the United States, in other words there are community rights.'"]

On Redrafting of Patents Law

PY1104031995 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1937 GMT 10 Apr 95

[FBIS Translated Text] Buenos Aires, 10 Apr (NA)—On 10 April, President Carlos Menem stated that the executive branch might send the Patents Law back to Congress, without vetoing it, so that lawmakers could "as soon as possible" draft "a new bill eliminating its inconsistencies" with the conclusions of the Uruguay Round of GATT talks.

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Menem, speaking on Radio "La 9.90," said: "This is something the media have not taken into account, but following several consultations with some of my aides, we saw that this could be a possibility that would enable us to send the law back to Congress without vetoing it."

The head of state was of the opinion that the law Congress enacted last week "can be interpreted in countless different ways, causing problems that could end up in endless lawsuits against the state."

Menem said: "We will have to see whether we exercise the power of veto—which is a possibility—and remit it to Congress with the recommendation or request that it abide by GATT regulations—in which case there would be no need for me to veto it—or to promulgate the law in its present form."

The president conceded that "it would be the first time" ever that a law is returned to Congress without having been vetoed, although he underscored that "the current legislation does not prohibit" resorting to this kind of recourse.

"This is a very likely way out that does not go against what the laws currently in force establish," he said.

To that effect he underlined that "one should never forget that Argentina's interests take precedence over partisan interests or those of politicians or economists."

Asked whether it was not high time that he told the United States "to cut" the pressures, Menem replied that "we have already told them that," although he made it clear that "we cannot sever diplomatic relations" because of that.

The head of state explained that "we went so far as to demand that U.S. Government officials measure their words, but we cannot go any further."

Clearly alluding to U.S. Ambassador James Cheek's demands, the president commented that "it would be ludicrous to break off relations over some remarks made by those who are under an obligation to defend the interests of their country's businessmen."

"We would also adopt a similar attitude if somebody tried to harm our interests," he noted.

Menem added: "If there should be any international legislation that might damage Argentina, we would then be in a position to challenge it."

The president acknowledged, however, the "clout of great powers' questioning," and asserted that "we should exercise extreme caution and common sense to safeguard Argentina's interests."

"We must protect Argentine interests. This does not mean that we have to yield to others, but rather prevent the new image of our country from being harmed at an international level," he underlined.

With regard to the butting of heads between Argentine congressmen and U.S. Government officials, Menem explained that "there are grave contradictions between the Argentine legislation and international law" with respect to the conclusions of the Uruguay Round of GATT.

The president considered that "given the fact that the Constitution establishes a hierarchical order in laws, we must study this question so as to avoid bringing into force two laws that clash with each other."

Foreign Minister Di Tella on Patents Bill Issue

PY1004160595 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1807 GMT 8 Apr 95

[FBIS Translated Text] Buenos Aires, 8 Apr (NA)—Foreign Minister Guido Di Tella has emphasized that Argentina will have the Patents Bill "it wants," but added that four articles of the bill approved by Congress "will probably be challenged by GATT."

The foreign minister added that these four articles "must be clarified because they are not current." He said problems with the United States over the bill will be handled "carefully and harmoniously."

Asked by a Buenos Aires morning newspaper if the United States will be satisfied with the amendment of these four articles, Di Tella said the appropriate word would be "acceptance."

The foreign minister ruled out the idea of the United States imposing sanctions against Argentina over this disagreement, noting that "it would be difficult to punish those who fulfill the requirements established by the GATT, an organization that was established by the United States."

Di Tella noted that a presidential veto is "not necessarily" required to amend the bill. He explained that one possibility involves asking the Argentine Supreme Court of Justice "about the text that should be applied."

Pymes Law Said 'Protectionist'

95SM0274A Buenos Aires LA PRENSA in Spanish 30 Mar 95 p 8

[Article by Dr. Loreta Maria Boque]

[FBIS Translated Text] If we take seriously some assertions made by futurologist John Naisbitt, the Small and Medium Independent Business (Pymes) Law appears to have been formulated with total disregard for the future. "Governments must step aside," "the important thing will be individual contributions to the economy," etc. These and other sayings coined by the aforementioned futurist appear to have been completely ignored by the drafters of the law. As enacted by the Senate on 15 March, the law expands the intervention by the executive branch acting on its own and through the agencies under its control, as well as new agencies to be formed.

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One such entity is the enforcement authority, which is still an unknown quantity. The law, which contains 107 articles, complemented by another set of regulations referring exclusively to temporary contracts, has not yet been promulgated by the executive branch. In the declarations contained in Title I, it makes reference to the economic assistance the government will provide to Pymes in the form of bonuses paid to businesses located in regions where productivity levels are below the national average, and to those located in places where the unemployment rate is higher than the national average. These bonuses will be paid for by credits to be included each year in the general budget of the administration. This means that they will be subject to the ups and downs of the budget battle, in which new items often lose out to the competition. The Bank of the Argentine Nation (BCRA) and the Foreign Investment and Commerce Bank will be asked to draft instruments to finance Pymes through lines of credit, negotiable bonds, etc. The National Executive Body (PEN) will encourage the establishment of specialized risk raters, as well as a single information and consultation system (in a country that has not, despite repeated efforts, managed to establish a nationwide General Inspectorate of Justice), in which the private sector will be invited to participate.

In addition, the creation of Pymes consortia for export purposes will be encouraged. Stimulating exports, moreover, is a national priority. The necessary funding will also come from credits established in the general budget. An executive and management training program will be set up, with due consideration given to environmental protection and policies aimed at ensuring fair competition. There will be a registry of businesses, categorized according to activity.

The language of this title of the law reflects a protectionist and centralizing attitude that expands the number of issues subject to future regulations, increasing rather than eliminating the obstacles. If the object is to teach the hungry man to fish instead of giving him a fish, the law is badly written, to say the least.

Mutual Guaranty Companies

To grant credits to the Pymes, the law calls for mutual guaranty companies to be formed. These would be assimilated into stock companies, but there would be two types of investors: protectors, who could hold no more than 49 percent of the capital, and shareholders, who would each be limited to five percent of the capital on their own guaranty. No one would be allowed to be both a protector and a shareholder. These companies, which would be overseen by an enforcement authority to be designated—we assume it would be something like the General Inspectorate of Justice for corporations or the INAC [expansion unknown] for cooperatives—must be listed with the Public Registry of Businesses and be authorized by the aforementioned authority. They must file reports with the Central Bank as requested.

It should be noted that protectors may be any natural or artificial persons, public or private entities, national or foreign, which contribute to the capital stock and venture capital. The company may not enter into mutual guaranty agreements with the protector investors. Only those small and medium businesses, whether natural or artificial persons, that meet the general conditions established by the enforcement authority and that purchase shares, can be shareholders. The capital stock must be made up of registered common stock, which must be of equal value and entitle shareholders to one vote per share.

The company must consist of a board of directors, made up of two representatives of the shareholder investors and one representative of the protector investors; a regular shareholders' meeting, which is treated similarly to that of a corporation; and a board of trustees, made up of three professionals charged with reporting to the BCRA on the activities of the company, if so required. If a shareholder who receives a loan should go bankrupt before paying off the guaranteed debt, the SGR [expansion unknown] has absolute priority with respect to the shares owned by the shareholder, and should be assigned a corresponding proportion of the insolvency debt. As an additional incentive, mutual guaranty agreements are exempt from the capital gains tax and the value-added tax (IVA) with respect to all of the transactions carried out in connection with them. Capital and venture capital contributions are deductible from the capital gains tax.

We do not think these regulations are sufficient for improving the lot of Pymes, considering the "individual contributions to the economy" mentioned by Naisbitt, and also bearing in mind that these companies account for no less than 1.5 million jobs, although each one may employ no more than 40 persons.

Labor Relations

On 25 July 1994, representatives of the General Confederation of Labor (CGT), the Argentine Chamber of Commerce, the Buenos Aires Stock Exchange, the Association of Banks of the Argentine Republic, the Association of Argentine Banks, the Argentine Rural Association, the Chamber of the Construction Industry, and the Argentine Construction Union met in the White Room of the Government Palace. Together with the National Executive Body, they signed the "Framework Agreement for Employment, Productivity, and Social Equity." The objective was to reach a consensus on the goals for modernizing and revamping the productive apparatus and expanding employment. That same year, the International Labor Organization (ILO) issued a report to be studied at the summit in Copenhagen in 1995, which states: "Full employment is not only necessary but feasible; achieving it, however, requires innovative ideas, national and international guidelines with more precise objectives, and a firm political will." There are no more isolated countries, since we are moving rapidly toward globalization. For this reason, international affairs are directly linked to national affairs, and, therefore, the measures to be taken to create jobs should

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be based on growth. One possible solution is job sharing. France and Germany did this to avoid layoffs. In France, recent legislation attempted to find an alternative to eliminating jobs by providing for part-time work, reduced hours, and phased-in early retirement. The idea is to make employment regulations more flexible, adapting the employment contract to the circumstances of the employer.

This approach, which will certainly be adjusted over time to keep pace with current conditions, calls for flexible workdays while keeping the same number of hours in the workweek. In England, one of every 16 employees is paid on the basis of the amount of time worked each year rather than each week. The legal text approved in our country provides for a probationary period of 180 days, a monthly bonus, severance pay amounting to half a year's salary, and collective bargaining agreements formulated to suit the needs of Pymes. In addition, a Single Registry of Personnel is established to consolidate all comptroller operations currently in use.

The law that introduces changes in the employment contract, which has now been approved by both houses of the legislature, broadens the scope of these contracts. In the first place, it allows for part-time contracts, which means that services may be rendered for a period amounting to less than two-thirds of the normal workday. Second, it encourages the hiring of employees over the age of 40 under special contracts with terms of six months to two years, which provide for a 50-percent reduction in employer contributions to the Social Security System. Third, apprenticeship contracts are allowed for youths between the ages of 14 and 25. They would work without pay, but their compensation would be worth at least as much as the minimum hourly wage for each hour of work performed. The aforementioned ILO report emphasizes that good labor policy depends on a proper diagnosis of the situation, "but above all, employment objectives should be given priority in national and international policy" (from the ILO magazine LABOR, December 1994).

Brazil

Congress Adjusts Timetable to Cardoso's U.S. Visit

PY0704205595 Sao Paulo GAZETA MERCANTIL in Portuguese 6 Apr 95 p A6

[Article by Eliane Castanhede]

[FBIS Translated Text] On 5 March Congress decided to adjust its work timetable to President Fernando Henrique Cardoso's visit to the United States, between 17 and 22 April, so that he may take good news to the world about the opening of the economy in Brazil. The objective is to show that Congress supports the reforms sought by the executive branch, and that it is giving expeditious treatment to the patent law in the Senate and to economic reforms in the Chamber of Deputies.

The government and PSDB [Brazilian Social Democracy Party] leaders in the Senate, Elcio Alvares and Sergio Machado, respectively, practically arranged the voting on the new patent law—in the Constitution and Justice Committee—for 12 April. "It is important for Brazilian interests that the president arrive in the United States after the bill has already been approved by the committee," Alvares said, with Machado's concurrence.

Jose Anibal Coordinates the Agenda

In the Chamber of Deputies, the agenda was coordinated by PSDB leader Jose Anibal, PMDB [Brazilian Democratic Movement Party] leader Michel Temer, and PFL [Liberal Front Party] leader Inocencio Oliveira, who met with the chairmen and rapporteurs of the five special committees that are studying the economic reforms. The reforms establish a new concept for national enterprises and make state monopolies more flexible.

According to Oliveira, those reforms can be voted on in plenary sessions in May. Yet the essential point now is to guarantee the voting on channeled gas on 18 April, and on the definition of a national enterprise on 20 April, by the respective special committees.

"It would be fine if, during his visit, the president could announce the approval of amendments by the special committees," Jose Anibal said on 5 April. He believes Congress can go even further: Approve, during Cardoso's visit, not only two but the five economic amendments under discussion in special committees.

Approval Without Restrictions

Rapporteurs will raise no objections. Deputy Ney Lopes, rapporteur of the amendment on the definition of national enterprises, believes that it is possible even to erase from the Constitution all references to national enterprises by simply eliminating Article 171. PFL Deputy for Bahia Carlos Aleluia, rapporteur of the coastal navigation amendment, intends to approve the entire government proposal. "I talked with the Navy minister, and contrary to what has been said, there are no restrictions," Aleluia said at yesterday's meeting.

Overrides Veto, Rural Loan Reference Index

PY0704143895 Sao Paulo AGENCIA ESTADO in Portuguese 1528 GMT 6 Apr 95

[Report by Ribamar de Oliveira]

[FBIS Translated Text] Brasilia, 6 Apr (AE)—In a secret session held last night (5 April), the Brazilian Congress overrode a veto by President Itamar Franco of an article of the law instituting the URV [Real Value Unit] that prevented the elimination of the Reference Interest Rate [TR] as a reference index for rural loans. Hence the TR can no longer be used for correcting rural loans. The vote outcome, which was disclosed only today, was 388 to 70

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votes in the Chamber of Deputies, and 43 to 22 votes in the Senate. The government has already appealed the vote results before the Constitution and Justice Committee. According to Deputy Germano Riggotto (PMDB-RS), [Brazilian Democratic Movement Party-Rio Grande do Sul], the government leader in Congress, four ballots cast by senators had been marked. The government contends that the marked votes will allow for the identification of the respective senators. If the Constitution and Justice Committee decides to annul the four marked votes, the ruralist bloc will lose and Franco's veto will stand. To override a presidential veto, 41 senators must vote in favor of it. If the four marked votes are annulled, the vote count will be 39 to 22.

Bank of Brazil Suspends Rural Loans

PY0704152095 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 7 Apr 95

[FBIS Translated Text] In response to Congress' decision to eliminate the use of the TR [Reference Interest Rate] as a reference index for the correction of agricultural loans, the Bank of Brazil [BB] has suspended all of its rural loan programs.

The BB has also reported that, according to BB legal advisers, the congressional decision will not be applied retroactively.

The BB accounts for 80 percent of all agricultural loans granted in the country. As of today, BB agricultural loans total 15 billion reals.

Presidential spokesman Sergio Amaral said that by overriding former President Itamar Franco's veto of the policy of basing loans on the value of the product, Congress may have decreed the end of rural loans in Brazil.

Amaral said that those loans granted prior to the congressional decision will continue to be readjusted by the TR because the decision will not be applied retroactively.

Defense of Minimum Wage by 'Sect' Viewed

PY0804003995 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Apr 95 p A2

[Editorial from the "Open Space" Column by Roberto Macedo: "The Fraternity of 'Pains'"]

[FBIS Translated Text] Arnaldo Jabor [who wrote in FOLHA DE SAO PAULO on 4 April] is very happy to have identified—among his list of new species that have been born of the country's national anguish—those who comprise what he calls the "Pains" fraternity. Jabor said they are "members of a fundamentalist sect founded by Paulo Paim who worked the miracle of living very well on the minimum wage. They have promised to return one day the 15 salaries the Chamber of Deputies grants its members." For the few who do not know who he is, Paulo Paim (PT-RS) [Workers Party-Rio Grande do Sul] is the federal deputy who frequently appears in the media complaining about the low value of the minimum wage and supporting a faster indexation of salaries. If it were up to him, Brazil would have already implemented hourly salary indexation and would have also fallen back into hyperinflation.

I met him at Congress. He has a messianic air with his beard and a quick way of arguing that deceives a lot of people. Once, while arguing with him, I resorted to the "spirit of the law," to which he shrewdly retorted: "Professor, the law has no spirit." He may not be very cultured but he is very intelligent. Prospecting the mother lode of salary policies and of the minimum wage policy, he manages to always stand out. As Jabor said, he lives well on one minimum wage.

Right now he is plotting something: He is suggesting that the government draft bill to increase the minimum wage to 100 reals [R] should be split in two. The draft bill seeks to modify social security area legislation and alter social contribution figures in order to increase social contribution revenues and allow the Social Security Ministry to pay the new minimum wage without worsening its financial situation. Paim wants to increase the minimum wage and leave aside the other clauses of the draft bill. It will be down to the poor president of the Republic to resolve the extremely serious problem of sanctioning or vetoing the huge, red hot potato that is a draft bill which increases the minimum wage without ensuring the Social Security Ministry has the required resources to pay for it.

Paim's proposal called for a $100 minimum wage—which became R100 when the dollar became worth less than the real—has now increased to R105.70. He believes this new figure "will compensate for the 5.7 percent increase in the GDP registered in 1994." This point of view deals only with the part that is of interest to him and will allow him to continue to survive. The "per capita" increase in the GDP was smaller—about 4 percent—and the effects of this additional increase on the Social Security Ministry, on the labor market, and on inflation, among other areas, should also be discussed. This type of discussion, however, does not win him any vote.

Jabor is wrong when he attributes the founding of the fraternity to the deputy. The one who began idolizing the minimum wage in Brazil was Getulio Vargas and, since then, there has always been a large number of preachers and followers of this idolatry. They believe the minimum wage is the most important issue and those who warn against the hell represented by inflation and unemployment are heretics. They also consider heretics those who support the deceitful maneuver of increasing the nominal minimum wage and other types of income linked to it, like retirement and pensions, without guaranteeing—which is, incidentally, impossible—that prices will not rise. The race between these two never ends and prices have always continued to rise. The real value of salaries

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did not go up for a long time because the government could not defeat inflation and resume growth. As a result, the minimum wage always hits the news. The sect, which continues to be strong, now has subdivisions just like religious sects.

Among the sect's preachers are the nostalgic ones who remember the days when the real minimum wage value was much higher; at the end of the 1950's and the beginning of the 1960's. They do not remember, however, that at that time it was almost a privilege to earn a minimum wage because most of the members of the economically active population [Populacao Economicamente Ativa—PEA] did not earn a minimum wage, or did so only on paper. There are also the internationalists, who unfavorably compare the Brazilian minimum wage with those of countries like Paraguay, Bolivia, and Senegal without asking how relevant the minimum wage is in these countries and what portion of the PEA earns less than the minimum wage. They do not analyze social indicators, like infant mortality, which can confirm, or not, the importance of comparing minimum wages that are established by law but not necessarily implemented by the labor market.

The sect is large and there are no signs it is declining. Like other things—among them the small value of the per capita income and of the salaries in general—this sect is a phenomenon that proves how underdeveloped a country is. In our case, we cannot even talk about "emerging countries" because with regard to the minimum wage, Brazil is in a low position: just like the wage itself. It is sunk in ideas and reasoning.

Entrepreneurs, Union Force To Start Pro-Reform Campaign

PY1004174895 Sao Paulo AGENCIA ESTADO in Portuguese 2358 GMT 7 Apr 95

[FBIS Translated Text] Sao Paulo, 7 Apr (AE)—The new slogan of the Union Force and Brazilian leading entrepreneurs in defense of the constitutional reform this month will be: "Reform To Change and Change To Improve." But the employer-labor alliance does not end there. Representatives of the Union Force and entities like the Sao Paulo State Federation of Industries (FIESP) are planning joint public acts—like the celebration of Labor Day on 1 May—and even the idea of creating study groups to help the reform.

Bosses and employees have elected some priority topics to be debated, among them fiscal, tax, federal government, and social security area reforms. Unlike the Sole Workers Center (CUT), they favor the easing of monopoly on oil and telecommunications, and the privatization of the state-owned companies.

Union Force Leader Luiz Antonio de Medeiros said: "The government is a little hesitant. There is an offensive by some sectors against the reform and so we will offer our support to President Fernando Henrique Cardoso." Paulo Pereira, the president of the Sao Paulo Metalworkers Union—which is the main affiliated entity of the Union Force—has said entrepreneurs and workers should head this sort of movement because "if the Constitution is not adequately modified, the scourge of high inflation will return." The alliance among the unions affiliated to the Union Force and several illustrious entrepreneurs was sealed on 6 April, during a working breakfast at the Workers Palace, which belongs to the Metalworkers Union. The meeting, which was called the "Breakfast for Reform," was attended by 100 representatives of employers unions, workers unions, and workers.

On 18 April, leaders of the Union Force will hold a torch lit demonstration outside the Congress buildings in Brasilia.

Cardoso Signs 4 Accords With Turkish President

PY1004235695 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 10 Apr 95

[Report by Lourival Macedo in Planalto Palace]

[FBIS Translated Text] President Fernando Henrique Cardoso will soon meet again today with Turkish President Suleyman Demirel at a concert by the Symphonic Orchestra of the National Theater of Brasilia. Afterwards, at 2100, President Cardoso will offer him a dinner at Itamaraty Palace.

This morning the two presidents met for two hours at Planalto Palace, and signed four agreements and a memorandum of understanding that creates a consultation mechanism between the foreign ministers of Brazil and Turkey. Of the four agreements one is for economic, trade, and industrial cooperation; another is for tourism; another for education and culture; and the last one eliminates the visa requirement for diplomatic, official, and special passports, thus avoiding bureaucracy for the entrance of diplomats and government officials into the two countries.

President Suleyman Demirel, who also visited Chile and Argentina, wants to increase trade with Latin America, especially with the countries of the Common Market of the South, Mercosur.

The main trade partners of Turkey are currently Germany, the United States, France, Italy, the United Kingdom, Saudi Arabia, and Iran.

Chile

Parties React To Resumption of Diplomatic Ties With Cuba

PY0804034195 Santiago Universida Catolica Television Internacional in Spanish 0100 GMT 8 Apr 95

[All names identified by screen captions]

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[FBIS Translated Text] According to Cuban Consul Humberto Hernandez, the resumption of diplomatic ties will further strengthen bilateral relations.

[Begin Hernandez recording] I believe this decision will undoubtedly strengthen even further our bilateral ties at all levels, at the economic, commercial and cultural levels. This will strengthen even further the ties of two sister-nations such as the Chilean and Cuban peoples. [end recording]

At the political level, Hernandez said he is aware that opposition parties will reject this decision, but, in his words, this is an appropriate step after a long discussion process.

Moreover, opposition parties categorically rejected the government's decision to resume diplomatic ties with Cuba.

Although the National Renewal Party [RN] rejected the government's decision, RN President Andres Allamand personally welcomed it.

RN is opposed to the government decision, but in a statement released today, RN President Andres Allamand states that Cuban-Chilean ties should have been resumed five years ago.

In addition, the UDI [Independent Democratic Union] clearly rejected the Chilean Government decision.

[Begin Jovino Novoa recording] We Chileans have suffered Cuban aggression, Fidel Castro's aggression. We do not believe, therefore, that the Castro administration should be honored with the reestablishment of Chilean-Cuban ties. [end recording]

The members of the CPPD [Coalition of Parties for Democracy] support the Foreign Ministry's decision.

[Begin recording] [Christian Democratic Party leader Enzo Pistacchio] We believe that in light of the process we are currently experiencing, it is essential for Chile to have ties with all countries throughout the world.

[Socialist Party leader Camilo Escalona] It is absurd to continue upholding a confrontation or belligerent policy toward Cuba. Consequently, no one should believe that this will affect U.S.-Chilean ties on specific issues such as NAFTA.

[PPD, Party for Democracy, leader Jorge Tarud] Chile should not refrain from developing full political, economic, and cultural ties in all possible places. [end recording]

In the afternoon, the secretary general of the Communist Party of Chile, Gladys Marin, visited the Cuban Consulate to express her satisfaction over this announcement.

[Begin Gladys Marin recording] I believe that a perfectly normal decision had been postponed for no reason at all. Chile should have resumed its diplomatic ties with Cuba Immediately after the end of the previous regime. [end recording]

'Historic' Number of Housing Units Built

95SM0261A Santiago EL MERCURIO in Spanish 4 Mar 95 p C10

[FBIS Translated Text] The minister of housing and urban development, Edmundo Hermosilla, reported yesterday that last year nationwide housing construction hit what he called a "historic" level for the second year in a row, toteling 118,627 units, 10,000 more than in 1993.

There was also an increase in the savings booklets for subsidies, in the amounts of money, and in the funds that financial institutions earmarked for mortgage loans.

According to figures furnished by the National Statistics Institute (INE), in 1994 a total of 49,732 homes and apartments were built in the Metropolitan Region, 41.92 percent of the nationwide total. This represents a significant decline from the level in 1993, when 57,519 housing units went up, 49 percent of the nationwide total.

The housing minister emphasized that the increase in construction was marked by two salient features. One has to do with the backdrop against which the increase took place, as the conditions and variables in the sector were not conducive to such a rise.

The second characteristic is that the 1994 numbers reveal a more balanced increase in housing construction around the country. The growth in the regions was 15 percent over the previous period, while there was a decline of 13.5 percent in the Metropolitan Region.

Thus, the regions that showed a rise (in descending order) are numbers four, six, seven, 10, and two. These also have the highest concentration of communities living in poverty.

In this regard, the cabinet minister indicated that the decline came mainly in housing for upper-income strata, thus benefiting middle- and low-income families. "We are fulfilling, in political terms, the objective of decentralization and investment in the regions," he said.

Regarding the demand for housing subsidies, it was up 11 percent from 1993. Until then there were 999,473 housing booklets all told, the equivalent of eight percent of the national population, with cumulative savings of $493 million and pledged savings of $1.163 billion.

The housing minister asserted that the contribution of the private sector has been fundamental, albeit as yet insufficient, inasmuch as government aid has covered 82 percent of the 118,000 housing units built so far.

There is $3.013 billion available in the financial sector for mortgage loans, which are divided into mortgage

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bonds and endorsable loans. He indicated that as a result some 300,000 families have been able to buy homes.

He said that housing subsidies in 1995 would total 107,000, 10,000 more than in 1994.

All of the housing programs that the ministry is pursuing represent an investment of $412 million.

He added that the government is interested not just in the number of homes built but in their quality as well, reiterating that there are housing information and guidance offices in regions five and eight and in the Metropolitan Region.

He also noted that Congress is considering a bill that will allow for more rigorous oversight of construction firms and force them to answer for damages arising from deficient housing.

Colombia

Ministry Requests Return of Ships Seized by Nicaragua

PA0704201395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 7 Apr 95

[From the "Seven O'Clock News" newscast]

[FBIS Translated Text] Colombian Foreign Minister Rodrigo Pardo sent a diplomatic letter to the Nicaraguan Government today. The letter requests the return of two ships flying the Colombian flag that were seized, apparently in an illegal manner, in our territorial waters by Nicaraguan authorities. Nicaragua has stated the ships will be returned to their owners in forthcoming days.

President Reiterates Support for Peace Commissioner

PA1004010295 Madrid EFE in Spanish 1712 GMT 9 Apr 95

[FBIS Translated Text] Santa Fe de Bogota, 9 Apr (EFE)—Liberal Colombian President Ernesto Samper asserted today, Sunday, that reaching peace with the guerrilla groups is "his most important priority" but that he is in no hurry and does not want the rebels to use the negotiations to set up political shows. "We are going to keep on making efforts to reach peace; there is no priority more important for this country. In the same measure that we obtain peace, we will also advance in social development," Samper said today during a tour of Choco Department, which borders Panama. He added: "This country would be in much better shape if a large part of the resources we now use to control violence in Colombia were available for provide housing, education, and health."

But Samper said that he will neither hurry to achieve this objective nor will he allow the rebels to turn the dialogue into a scene-stealing political show. The president said "the government will only sit down to negotiate when it is convinced that the dialogue will lead the country to permanent peace." Thus "the rebels must start to prove their true will for peace." In his opinion, "a good start would be for the guerrillas to show through deeds that they are complying with Protocol II of the Geneva Convention on human rights." According to Samper, "events like finding a 'booby trap' factory (of the Army of National Liberation, ELN) and the guerrillas' persistence in kidnapping people, including foreigners, are signs that rightfully worry all Colombians and generate skepticism about the rebels' true willingness to reach reconciliation." "Let us start by getting the civilians out of the armed conflict," Samper told the Bogota daily EL ESPECTADOR.

High Commissioner for Peace Carlos Holmes Trujillo has maintained contacts with leaders of the ELN, which is led by Spanish priest Manuel Perez, and with the Revolutionary Armed Forces of Colombia (FARC). As an initial step, he has requested that they "humanize" the armed conflict.

During his tour of Choco, Samper insisted that Holmes Trujillo is "the only person authorized" by him to manage the peace dialogue and to report on its development. In reiterating his support for to Holmes Trujillo, Samper responds to a letter from ELN leader Gerardo Bermudez, alias "Francisco Galan," who has been in a Bogota jail for the past two years, in which he asks that Samper clearly state his peace policy. "Galan" requests that the president clarify the functions of the high commissioner for peace and criticizes Colombian Defense Minister Fernando Botero because, in his opinion, the latter obstructs possible negotiations.

Holmes Trujillo has revealed that the government and FARC are currently discussing the details of "a first direct meeting" and that the government and the ELN "are close to reaching an agreement on humanizing the conflict."

ELN Chief Queries President on Process; Samper Reacts

PA0904001395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 8 Apr 95

[From the "Cripton Newscast"—passages within quotation marks recorded]

[FBIS Translated Text] [Announcer] The chief of the ELN [Army of National Liberation], whose alias is Francisco Galan, has made public, through your "Cripton Newscast," a letter he sent to President Ernesto Samper addressing certain issues on the likely peace talks with this subversive group. Reporter Edward Amaya interviewed Galan at Modelo Prison, where he is being held.

[Amaya] From the Modelo Prison in Santa Fe de Bogota, the ELN's Galan sent the first letter we know of to President Samper, a letter in which he exercised his right to make a petition. He asked Samper to explain seven

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issues in the peace process. Galan asked the president: First, what are the duties of the high commissioner for peace?

[Galan] "Because after eight months, the high commissioner for peace still has not announced an official position."

[Amaya] Second, does the government recognize Francisco Galan and Francisco Caraballo as spokesmen?

[Galan] "Because after seven months, the government has failed to take a public position on whether it recognizes us as spokesmen."

[Amaya] Third, if you are commander in chief of the armed forces, how come you do not respond on behalf of the state for the murder of our Commander Rafael?

[Galan] "Because we have information on who killed Commander Rafael."

[Amaya] Fourth, do you think that defense minister's work is helping in the search for a political solution to the conflict?

[Galan] "Because the country is becoming more militarized by the day."

[Amaya] Fifth, for years, the rebels have proposed a political solution to the conflict that has outlasted several governments. Does your administration have a peace strategy that will prevail after your presidential term is over?

[Galan] "Because we do not know the main elements of such a peace strategy by the government and the high commissioner for peace."

[Amaya] If peace is a social justice problem, why do the doors remain closed to participation by branches of state in the process?

[Galan] "Because we believe the executive branch should not monopolize the peace issue."

[Amaya] Finally, Francisco Galan and Felipe Torres asked the president if this peace process has a leader.

[Galan] "Because we see disparities in the government."

[Announcer] Meanwhile, early this morning, President Samper, who is in Quibdo, learned of the letter sent by Francisco Galan. Although he abstained from responding by answering each question, he remarked on certain aspects of the letter. Carlos A. Jaramillo filed a report from the capital of Choco Department.

[Jaramillo] "Good afternoon. Here we are in Quibdo with President Ernesto Samper. Mr. Galan said that he still does not know who the peace commissioners are and that Defense Minister Fernando Botero is not responsible for the peace processes.

[Samper] "I believe the high commissioner for peace, as we all know, has been responsible for the peace process for a long time. He has had contacts with not only Mr. Galan but also with other people who have expressed their willingness to become interlocutors in the peace process. The high commissioner for peace is the only official authorized to talk about the progress made in the creation of new political opportunities.

[Jaramillo] "Mr. President, Mr. Francisco Galan wonders if this process has a leader, if this peace process has a leader.

[Samper] "Of course it has a leader; it is the high commissioner for peace. Any decision made on this matter will be the result of the efforts the high commissioner made with the support of the president of the Republic.

[Jaramillo] "In any event, are you willing to hold talks?

[Samper] "We will continue to seek peace, because I believe no priority is more important for this country, which will then be able to live peacefully. We will move forward with social development only insofar as we reach peace."

Explains Criteria for Peace Talks

PA1004011095 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 9 Apr 95

[From the "Cripton Newscast"]

[FBIS Translated Text] Now we continue to broadcast the principal excerpts of the exclusive interview that Francisco Galan, one of the ELN's [Army of National Liberation] leaders, granted to reporter Edward Amaya, in which Galan refers to the most salient issues in possible peace negotiations with the government.

[Begin recording] [Galan] We see on the opposite shore the Armed Forces, joined by paramilitary and cooperative associations, security associations, which Defense Minister Fernando Botero has now created. What they are doing is...

[Amaya, interrupting] Is this a stumbling block [talanquera] to peace?

[Galan] Of course. It is the main stumbling block encountered since we began our exchanges with the Office of the High Commissioner for Peace.

[Amaya] Do you prefer separate or joint dialogue?

[Galan] We want negotiations to be held alongside the Simon Bolivar Guerrilla Coordinating Board; we maintain this position. You may well be asking yourself: Why then are they holding a separate dialogue? No, we are talking.

[Amaya] There are reports that talks will first begin in La Uribe with FARC [Revolutionary Armed Forces of Colombia].

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[Galan] Talks. In other words, no dialogue yet. We are talking and holding the first contacts to define how negotiations will take place in Colombia.

[Amaya] What are talks and what is dialogue?

[Galan] Talks mean defining the groundwork for starting negotiations on the conflict.

[Amaya] Many people say that war pays off better for you than peace.

[Galan] Our struggle is not for personal benefit. In other words, don't confuse us with drug traffickers. Don't confuse us—we are political organizations with clear goals, political and social goals that favor Colombian society. We have arisen with proposals for political alternatives. [end recording]

Other issues discussed in the Galan interview with the "Cripton Newscast" were the Cararabo border massacre, the removal of booby traps, and the general so-called humanization of the conflict.

[Begin recording] [Amaya] Francisco, will events like Cararabo be repeated?

[Galan] As long as the people are downtrodden.

[Amaya] Why?

[Galan] As often as our territory is penetrated, as often as our territory is looted, as often as the social conflict does not respect borders there will be armed conflict.

[Amaya] You announced a few days ago that Venezuela was not the only objective, but Ecuador was the objective too. Why? Is this true?

[Galan] If Ecuador violates our sovereignty, if Ecuador massacres our inhabitants, if Ecuador loots our territory, we will have a conflict.

[Amaya] What does humanizing the war mean for the ELN?

[Galan] It means certain rules would be established so that civilians would not be affected by confrontation between the opposing sides.

[Amaya] But civilians are being affected.

[Galan] Naturally, they are affected when there are bombings in areas in which we are operating, when there are kidnappings in this country...

[Amaya, interrupting] Also when they stumble onto booby traps, set by you, in southern Bolivar Department.

[Galan] About those booby traps, we are willing to sit down at the table to talk and regulate the conflict and define the type of weapons that can be used in these confrontations.

[Amaya] What about ordering them removed or revealing where they are located so that children and peasants won't trip over them?

[Galan] We are willing, for example, to redefine the use of this kind of weapon, yes. In exchange, the other side must redefine the use of bombs in peasant-inhabited areas. [end recording]

Human Rights Ombudsman Issues Report

95CA0171A Santa Fe de Bogota EL ESPECTADOR in Spanish 24 Mar 95 p 6A

[FBIS Translated Text] Santa Fe de Bogota—Every day the Office of the People's Defender must investigate one disappearance, one homicide, almost two massacres, and one case of mistreatment. Government agents are responsible for most of these human rights violations.

Ombudsman Jaime Cordoba Trivino revealed this yesterday in submitting his second annual report to the Congress of the Republic, in which he notes that in 1994 "there were more than a few incidents in which the dread connection between crime and government power was found."

Citing statistics, the high-level official showed that attempts on the life and physical integrity of Colombians—mostly by members of the Armed Forces and State security agencies—have increased; and he criticized the administration's apathy in combating manifestations of violence such as paramilitary groups.

In Cordoba Trivino's view, "Paramilitary activity has not been taken seriously either by this administration or previous ones."

Therefore, in acknowledging that more than 200 paramilitary groups are nonchalantly operating, even in militarized zones, the ombudsman demanded that President Samper's administration take "clear-cut, resolute action" to eradicate these groups from areas such as Meta, southern Cesar, and Uraba.

In the ombudsman's judgment, it is undeniable that "the perpetrators of these crimes enjoy impunity through silence, lenience, corporatist solidarity, and maneuvers to conceal them."

"It is quite true that State agents are not the only players in the tragedy of violence in Colombia. Our country also suffers from the violence of armed opposition groups, the violence of narcoterrorism, and the violence of everyday crime, among other kinds. It is beyond dispute, however, that the acts of violence perpetrated by public servants or by private citizens with ties to those discharging public responsibilities are uniquely and exceptionally grave," the ombudsman contended.

The Accused

According to the figures of the Office of the People's Defender, of the 6,154 complaints lodged against public servants of the national government, 946 concerned members of the Military Forces; 790, members of the National Police; 563, employees and officials of the Judiciary; 517, employees at the Office of the Prosecutor

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General; 127, DAS [Administrative Department of Security] employees; and 45, Public Ministry officials.

"The list of extrajudicial executions (some inspired by political hatred and others by a demented contempt for members of groups that are discriminated against or marginalized), torture, forced disappearances, unlawful arrests, and other crimes of comparable gravity in 1994 makes for chilling reading, forcing us to ask ourselves why our process of institutional reform has not yet succeeded in at least diminishing the intensity of the violence marked by the criminal abuse of power," the ombudsman's report says.

Referring to the numbers that support his office's assessment, Cordoba Trivino stated that the increase in human rights violations since 1993 has been alarming.

As to infractions of international humanitarian law, the representative of the Public Ministry asserted that "both law enforcement personnel and the guerrillas were to blame for brutal acts in which they disregarded the distinction between combatants and noncombatants."

The ombudsman asked the Office of the Attorney General to investigate 44 government officials who refused to cooperate in a series of human rights investigations.

Among these "reluctant" individuals are the commander of Mobile Brigade Number One of the National Army, Brigadier General Nestor Ramirez Mejia; the former governor of San Andres, Simon Gonzalez; the former governor of Amazonas, Calros Alberto Henao Gallo; the former governor of Putumayo, Segundo Salvador Lasso Gomez; the former governor of Vaupes, Jesus Mendez; the former governor of Casanare, Oscar Leonidas Wilches; and the former governor of Guaviare, Jorge Alberto Zapata.

He also called for an investigation of the president of Telecom, Clara Elsa Villalba de Sandoval; the commander of Military District Number 17 in Cali, Colonel Orlando Barbosa Garcia; the chief of the Chancery of Military Forces, Captain Rodrigo Carvajal Soler; the commander of the Bolivar Police, Colonel Hector Jose Castro Cabrera; the commander of the Valle Police, Colonel Jose Luis Alberto Rojas Merchan; and the sectional director of the DAS in Cali, Alvaro Gonzalez Heredia.

Recommendations

The ombudsman supported the implementation of citizen challenges to infringements of constitutional rights, and he noted in this regard that although there is a backlog in the courts, it existed before such challenges were possible.

He then recommended setting up a single system for assigning these challenges so that the work can be more evenly distributed among the various courts in Colombia.

He also suggested that a bill be drafted to reform the procedures for filing the habeas corpus petition and to regulate the right of conscientious objection.

[Box, p 6A]

Trujillo Case Judges on Trial

The delegate attorney general for human rights, Tahi Barrios—who in December 1992 totally acquitted the Armed Forces personnel involved in the massacre in Trujillo, Valle—will have to explain to the Public Ministry why she set aside the case even though the evidence demonstrated negligence, at least, on the part of two army and police officers in facilitating commission of the crimes.

The investigation into the former official was ordered by Attorney General Orlando Vazquez Velazquez in overturning the initial acquittal and, in its place, mandating the discharge of one army colonel and one police lieutenant for their involvement in the unlawful arrest, torture, and subsequent murder of 107 persons in Trujillo.

As this newspaper reported at the time, the Attorney General's Office demanded that the then commander of the army forward command post in the rural zone of Trujillo, Major (today colonel) Alirio Antonio Uruena Jaramillo, and Police Commander Lieutenant Jose Fernando Berrio Velazquez be dismissed permanently from the Military Forces.

The Attorney General's Office found that in the initial acquittal the court disregarded the testimony of Daniel Arcila, who was declared insane so as to disqualify his account. In the review ordered by the special commission that investigated the incident in Trujillo, the fact-finding body concluded that his testimony was indeed admissible and that it, along with other evidence, proved negligence on the part of the officers.

Ecuador

New Finance Minister Views Bridging Budget Gap

PA0804233395 Quito Voz de los Andes in Spanish 1230 GMT 8 Apr 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The broadening of the base of the value-added tax [VAT]) will help bridge part of the budget gap caused by national defense spending, new Finance Minister Mauricio Pinto has said. In his first statements since being sworn in, he pointed out that there are two ways to bridge this gap: by broadening the VAT's base or reducing current spending, but not by affecting social spending. We must prevent inflation from further hurting those who have less.

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Mauricio Pinto said that if the national government fails to convince Congress of the need to eliminate certain VAT exemptions, it will have to be very creative in order to find adequate measures. The minister pointed out emphatically that new criteria for economic measures designed to increase revenues should not be imposed. He thus voiced his hope that the legislature will understand the government's goals.

Congress President: Congress Not To Accept New Taxes

PA1104043595 Quito Voz de los Andes in Spanish 2300 GMT 10 Apr 95

[Report by Marco Antonio Bravo from "The Voz Andes Newscast"]

[FBIS Translated Text] Marco Proano Maya, acting Congress president, reacting to Finance Minister Mauricio Pinto's remarks on the possibility of creating a single, special tax to make up for the fiscal deficit caused by the armed conflict with Peru, has said parliament will not permit new taxes on the Ecuadoran people under the pretext of offsetting the cost of the war:

[Begin Proano recording] [Words indistinct] this is the subject under discussion. We have heard that the finance minister has proposed a new special, single tax as a third alternative to compensate for the war expenses. As part of this political and democratic view, Congress would have to seek legislative mechanisms to assuage the worries of the internal and military fronts. We must advise, however, that Congress objects to the approval of more taxes. We have said the economic impact of the war should no longer be borne by the people but, rather, by the government. [end recording]

Ministers on Presence of Peruvian Troops on Border

PA1104043995 Quito Voz de los Andes in Spanish 2300 GMT 10 Apr 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Defense Minister General Jose Gallardo has said the Peruvian forces observed at the village of Aguas Verdes on the Peruvian side of the border have been there ever since Peru mobilized its troops because of the conflict with Ecuador. Gallardo has said these forces moved up to higher ground when the rainy season began, were then deployed, and conducted exercises and target shooting. He has warned: We are watching those activities with the calm confidence that our military command and men can and will do their duty.

Meanwhile, Ecuadoran Foreign Minister Galo Leoro Franco has said he has reported to the guarantor countries of the Rio de Janeiro Protocol the presence of Peruvian troops in the area in violation of the Itamaraty Agreement:

[Begin Leoro recording] We have reported to the guarantor countries the worrisome presence of those troops there and that this presence must be regarded as alarming, because it contradicts the spirit of the Itamaraty Agreement. The creation of the 6th Military Zone by the Peruvian Government means the increased presence of Peruvian troops in the area. [end recording]

Leoro has also said that Ecuador is not at all worried over Peruvian President Alberto Fujimori's reelection and that the pacification process and negotiations will continue, because the Rio de Janeiro Protocol stipulates an Ecuadoran outlet to the Amazon River.

Officials on Possible Resumption of Hostilities

PA0804214195 Quito Voz de los Andes in Spanish 1230 GMT 8 Apr 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Deputy Foreign Minister Marcelo Fernandez de Cordoba has said that the international observers' work during the disengagement of forces is very important, since when the process concludes only those troops present during peacetime should remain in areas close to the conflict zone. The rest of the troops must return to their respective units in the interior of Peru and Ecuador. The diplomat charged that despite this some troops on the Peruvian border have not yet withdrawn. In fact, there are more troops present, especially in areas close to the conflict zone. The military observers have been opportunely advised of this situation. Our Armed Forces remain watchful of any emergency, and Ecuador is acting cautiously, both militarily and diplomatically.

Defense Minister General Jose Gallardo Roman dismissed as a highly unlikely act of folly the possibility that Peru might resume its attacks. At any rate, he said, the Ecuadoran military is capable of defending the country, as it did during the fighting that raged for over 30 days in January and February.

Politicians and experts in Ecuador have warned that Peru might resume the fighting. Their views are based on threats by Peruvian President Alberto Fujimori and warnings by former President Alan Garcia. According to the latter, Fujimori is preparing a new attack for political and election reasons.

Politician Francisco Huerta Montalvo said that preservation of the peace is contingent upon the results of Peru's elections on Sunday, in which President Fujimori is seeking reelection, if possible in the first round, thus obviating the need for a runoff in July.

Former Deputy Foreign Minister Mario Aleman said that peace depends on complete demobilization of the troops on both sides of the border. For several reasons, the peace with Peru has not yet been consolidated; that is why we cannot breathe easily, the diplomat said during a public forum in the port city of Guayaquil.

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Gen. Gallardo said that a resumption of the conflict would be a highly unlikely act of folly. The defense minister added that this possibility would be folly, prompted by a false sense of Peruvian dignity and arrogance, that would drag the two peoples into a holocaust.

Ministry Denies Attack on Peruvian Official

PA1004183995 Quito Voz de los Andes in Spanish 1230 GMT 9 Apr 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The Ecuadoran Foreign Ministry has issued a communique denying that Army members attacked an employee of the Peruvian consulate in Macara. At no time have security members physically attacked Mr. Enrique Valenzuela, the consulate's administrative secretary said. There was only an exchange of words provoked by that official, the communique added.

The Foreign Ministry stressed that taking advantage of his status as consulate employee, Valenzuela verbally attacked the security agents assigned to protect the diplomatic office. The offended agents responded verbally to the verbal attack, the communique explained.

The Peruvian Foreign Ministry reported that Valenzuela had been attacked by members of Ecuadoran military intelligence. Ecuador denied this, indicating that Valenzuela was asked to undergo a medical examination to verify the alleged injuries, but he did not agree to the request in Macara.

President Speaks to Quito Chamber of Commerce

PA0704201695 Quito Voz de los Andes in Spanish 1700 GMT 6 Apr 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] President Sixto Duran-Ballen, speaking to members of the Quito Chamber of Commerce and special guests who decided to show their gratitude to him and to Defense Minister General Jose Gallardo for their job during the latest conflict with Peru, has said that the country's new reality is hard because of the sacrifice and effort imposed on us, but rewarding because we have come out ahead. He proposed a pluralization of objectives in the search of serious, mature, and just solutions to our greatest, most pressing problem, that of our territorial integrity.

The solution must be based on the concept of inexecutability of the Rio de Janeiro Protocol, because of the existing geographical reality, and the recognition of a sovereign outlet to the Amazon River. That is our proposal and it will never change.

President Sixto Duran-Ballen said he will continue with the country's modernization process.

[Begin Duran-Ballen recording] We are going to make progress in the process of economic, administrative, social, and political reform, which the country needs and now demands with greater urgency. The challenge of the new Ecuador is linked to a world that is experiencing the globalization of the economy and trade. It is a world that only responds to the optimum use of resources and excellency. Our country must prepare itself for the third millennium under equal conditions.

Today we have the advantage of feeling we can do it. I invite you, my fellow citizens, to work together in the consolidation of this new Ecuador, basing ourselves on our unity, effort, sacrifice, and work and encouraged by our dignity, sovereignty, and national pride. [end recording]

We must first trust the Divine Providence and then trust ourselves, our just cause, the feelings of peace and unity, the capability of our diplomacy, the professionalism of our Armed Forces, and the support of our Ecuadoran people, the president concluded.

Paraguay

Italian Foreign Minister Makes Brief Visit

PY0704215995 Asuncion ULTIMA HORA in Spanish 3 Apr 95 p 24, 25

[FBIS Translated Text] Diplomatic relations between Italy and Paraguay have returned to normal now that the two countries have resolved their differences over the Rossi and Barbero Colony cases.

Italian Foreign Minister Susanna Agnelli's brief visit on 1 April confirmed this point. She met with President Juan Carlos Wasmosy and Foreign Minister Luis Maria Ramirez Boettner.

The Paraguayan foreign minister talked about the results of the Italian foreign minister's visit. He said: "The essential point was to resolve the two problems with Italy, which I characterized as pebbles along the path of relations and which have now been totally overcome. We are very happy because our relations with Italy can improve again."

Ramirez Boettner said there is considerable interest in Italy to invest in our country. The foreign minister handed a dossier to his Italian counterpart containing the mains aspect, fields, and sectors where Italians can invest. Agnelli took the documents to Italy.

Ramirez Boettner said: "We believe this visit, although very brief, by Italian Foreign Minister Susanna Agnelli marks the beginning of a new stage in our friendly and cordial relations, which will strengthen considerably from now on."

The Paraguayan foreign minister said Foreign Minister Agnelli was invited during President Wasmosy's meeting with Italian President Oscar Luigi Scalfaro in Rome.

He said that even though the schedule of the Italian foreign minister had already been arranged, she still

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made the effort to spend a few hours in Paraguay "to show goodwill and friendship toward our country."

Ramirez Boettner stressed that the issues of Rossi S.A. and Lapachos San Isidro are problems where the Italian and Paraguayan Governments are not involved. He said: "They are claims that must be resolved by private creditor banks and two private companies: Rossi and Lapachos. With respect to the Barbero case, Italy will approve a law so that the land can be transferred to the Paraguayan Government for distribution among those who occupy it."

Industry Vice Minister Guillermo Sosa handed Agnelli a document containing a list of investment possibilities in the country. The document will be studied in Rome because nothing can be agreed or resolved during a short visit like this one.

The foreign minister said the industry that might interest Italians most is the area of textiles: Italy is famous for its clothes made of silk, linen, or cotton. He said: "We can make and export cotton to Italy where it can be used to produce clothing, in cotton as well as in silk."

Asked if he discussed future technical and cultural agreements with his Italian counterpart, Ramirez Boettner said this was the beginning of a new period of relations with Italy, adding that we must work on it because little can be done during a visit lasting only a few hours. Ramirez Boettner concluded: "I want to stress that we now start an era of very close relations with Italy."

Foreign Minister Agnelli was decorated with the "National Order of Merit" at the level of Extraordinary Grand Cross during a ceremony at Ramirez Boettner's office. Agnelli concluded her official visit to Paraguay at 1830 and travelled to Brazil to start the last leg of her tour of our region.

Peru

President Fujimori Grants News Conference

PY1004163295 Lima America Television Network in Spanish 0157 GMT 10 Apr 95

[News conference held by President Alberto Fujimori with domestic and foreign journalists at the Crillon Hotel in downtown Lima—live]

[FBIS Translated Excerpt] [Fujimori] Messrs. journalists, allow me to make a short statement about what this electoral event has signified. I believe that by reelecting Alberto Fujimori, the people of Peru have opted for order, discipline, and progress. This is the only framework that will allow us to achieve the development of the country. I have received vast popular support that is frankly beyond my expectations. We received vast support not only at the executive branch level, but also at the legislative branch level.

Instead of making me feel like a more powerful president, this sovereign decision has strengthened still further my commitment and my responsibility to continue fighting, relentlessly—as I used to say during my electoral campaign, because Peru cannot stop—to make this country, which we received bankrupt, stand up and become soon one of the leading countries in Latin American or, perhaps, the leading country in Latin America. [applause]

The votes I have just received put me in debt with these Peruvian men and women, many of whom are from a humble strata of society. You know very well that most of the votes I have received have been cast by these humble people, therefore, I am obliged to work still more intensively to enable these people's children, who have never learned about what democracy is, to enjoy the benefits that a real democracy, full of social justice, can grant the people. A democracy that consists only of the right to vote and yet is surrounded by unfairness, lacking the basic elementary services and offering the people no opportunities, is a worthless democracy. This phenomenon, however, does not occur only in Peru. I am convinced that worldwide, democracy must be given a different orientation, must adopt new concepts, and can no longer be a mere word that is tossed about here and there every five years.

Convinced of that, I am now satisfied and content, not only as a president, but also as a Peruvian citizen, because I have received popular support for an administrative policy that has been yielding fruit. We will now begin a second stage, during which we hope to consolidate what we have achieved in the first five years.

The fact that the Peruvian people have granted me very broad support in this first and only round of the elections means that Peru has decided to continue treading the path that we have opened. This is another concept that I want to emphasize: Continuity of a government program for the development of country, or of any entity, must be ensured because it is a fundamental element. There can be no forward and backward movement. We cannot agree to take a path to the right and then another one to the left every five years, thus making zig-zags and losing the objectives that had been originally established. This is why the Peruvian people, showing their confidence in the path that we have chosen, did not want to interrupt this process. This process will continue and all my fellow countrymen will see the results of it over the next few years.

I am now ready to answer the questions to be posed by the Messrs. journalists. [passage omitted]

[Carlos Ochoa of TE Ecuadoran Television] There is concern in my country over your attitude toward our country during your next five-year term. Will talks, which are now suspended, be resumed? And, if talks are resumed, what are the guarantees that they will be open, bearing in mind that former talks apparently were just a

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distraction or diversion, as you have emphasized during an interview with the Peruvian television network? Thank you very much.

[Fujimori] I want to give an explanation. When I explain something to the public, I use simple terms. Distraction or diversion means an atmosphere of detente. And this is what we established after my visit to Ecuador.

I appreciate the Ecuadoran friends who want peace, but this peace must be achieved by carefully respecting international treaties. And there is an international treaty between Peru and Ecuador, a treaty currently known internationally: the Rio de Janeiro Protocol.

Peru.... [pauses] I am expressing through you, and I beg you to express to the Ecuadoran people, that the international treaty, the Rio de Janeiro Protocol, is the guiding spirit, the centerpiece of the talks that will be held under the auspices of the four guarantor countries.

Little progress has been achieved in this regard. For 35 years, Ecuador did not want to hold open talks on an international treaty. During these 35 years, it disavowed the Rio de Janeiro Protocol. Now it is recognizing the protocol. And this recognition means that we can advance openly. Ecuadoran media, please openly tell the Ecuadoran people that the Rio de Janeiro Protocol does not establish, for example, a sovereign outlet on the Amazon River, but free navigation on the Amazon River. We will grant this free navigation to the Ecuadoran people after we demarcate the border that is still unmarked in the upper Cenepa and at some other points.

Things have to be very clear as part of constructive talks, but not zigzagging talks, like those that have prevailed recently.

In my government, Peru will adopt a firm position on the Rio de Janeiro Protocol. I hope this dialogue will be held under the auspices of the four guarantor countries—which Ecuador no longer refers to as friendly countries—because we will not tolerate violations of the borders established by the Rio de Janeiro Protocol.

Things should be clear. We want to live in peace and continue with the integration process, but not with an unclear game, which could cause problems for us.

[Francisco Javier Sanchez] Good evening, Mr. President. I am Francisco Javier Sanchez, of Seven Thirty, Caracol, Colombia. My country, like yours, has a very serious problem, namely, drug trafficking. I would like to ask you about the plans that you have designed for joint implementation with Colombian President Ernesto Samper in order to end this scourge.

[Fujimori] The drug trafficking issue is not a problem that exclusively affects Colombia, Peru, Ecuador, or Paraguay. It is a far greater issue, which affects the entire world. Throughout the past 14 years the strategy enforced at the world level, including the United States, has been a complete failure.

You should all wonder why Peru, Bolivia, and Colombia are exporting so many drugs. This is what the Americans ask themselves: Why do you export so many drugs? My question to the United States is: Why does the United States, why do drug consuming countries, import so many drugs? This is the real issue.

Why do they import so many drugs? I do not agree with the policy outlined by Mr. Gelbard, let alone with that Republican representative who said he would send an aircraft carrier to Bolivia to attack coca farms.

The strategy against drugs must be an overall integral policy based on the theory that drug consumption must decrease in consumer countries.

I wonder what would happen if, with a magic wand, we suddenly cut the exportation of drugs, and consequently, the importation of drugs by consumer countries.

A big commotion would probably occur in consumer countries, because drug addicts' demands would grow.

Therefore, the issue is so complex that—as we jointly put it with President Samper, Paraguayan President Juan Carlos Wasmosy, and Bolivian President Gonzalo Sanchez de Lozada—it is necessary to hold a summit, in order to redesign the antidrug strategy.

I believe the United States and drug consuming countries should take more responsibility, instead of simply giving small donations that do not resolve anything at all.

[(Olinda Mersa)] Mr. President, I am (Olinda Mersa), of Channel 33. Will you continue with the privatization policy, and will foreign capital continue to flow into our country?

[Fujimori] I have already explained to the Peruvian public that Peru used to lose $2.5 billion per year, that is, each Peruvian family paid $500 per year to finance that loss. Public enterprises have almost led the country to bankruptcy. You should know that the fiscal deficit in 1990 was approximately 8 percent, while fiscal income was only 4 percent. [as heard] Well, we have reversed that. The fiscal deficit is now almost nonexistent; we are, rather, expecting a fiscal surplus, while the fiscal income stands at approximately 13 percent.

Privatizations will continue. In those cases about which I am aware, there is some concern—like Petroperu [State Petroleum Agency], the oil industry issue—we will listen to different proposals.

Each of these proposals must be well grounded so that the country—so that the government—may choose whichever is the best one for the country. This will probably take place through a national debate. This will be a technical, and not a political, debate that will allow us to privatize Petroperu, but always safeguarding all national security measures. [passage omitted]

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[Victor Robles] Good evening, Mr. President. I am Victor Robles, from the news agency EFE. You have frequently emphasized the different nature that you have decided to give to democracy. This has awakened some doubts in the press, because you apparently attach priority to economic development and material well-being, to the detriment of other intrinsic values of democracy, like balance of power and freedom of expression. I would like to ask you to please clarify this concept of democracy. Does it involve establishing different values?

[Fujimori] Many thanks for the question, because I would like to talk a bit more on the subject.

I have my own concept of democracy. I believe in democracy; I believe in the people's will, in the people's sovereign will expressed through votes.

Yet, I do not believe in a democracy that maintains social injustice. What kind of a democracy was there here in Peru in 1990, when there was no freedom of expression, when terrorism was jeopardizing Peru?

Was that a democracy? Was it a democracy to have hyperinflation ruining families in the poorer sector? Was there or is there democracy in a country with vast resources that has no drinking water, sewage system, or electric power services?

Do you know that the area at the top of San Cristobal hill, which is in front of Government Palace, has had no electric power for the past 50 years, and that it will finally have it in 15 days? I therefore wonder as a Peruvian citizen being affected by such shortages: Is this democracy?

I do not view such material factors as being more significant than others.

I do not know whether other countries of the world enjoy the press freedom prevailing in Peru. Neither the United States nor European countries would permit press freedom such as is practiced and respected here.

You, my friends of the foreign press, have seen this over the past few days.

Democracy naturally entails a balance of power, but this balance of power does not mean that the executive branch should be subject to the whim of a legislative branch which, for the sole purpose of putting up obstacles, would impede executive branch action.

As a matter of principle—because of my university training—I believe in the balance of power. Yet I also believe in freedom of opinion and freedom of the press.

If Congress at any time erects unjustified obstacles, I will freely speak the way I have spoken over the past five years, and I will work for a balance of power. The difference with the other governments is that the president's freedom of expression was limited.

The balance of power must be practiced to serve the country's development. Everyone at home and abroad understands balance of power. The only problem is that some aspects of balance of power are not respected.

As I see it, when there is balance of power, Congress approves laws and controls. Yet the executive branch should also control Congress. Or do you think things are so transparent in Congress?

Haven't you seen the formation of lobbies around some groups, economic power lobbies that want to approve some laws? We have gone through this experience here in Peru.

That was no balance of power. There is a balance of power when the executive branch begins to control some maneuvers within Congress.

I believe in pure democracy, but in a democracy that is actually put in practice. I do not believe in a democracy in which there is no efficiency, in which the state does not operate.

The rule of parties [partidocracia] has been eliminated from Peru. There was the rule of parties. In the results of these elections, you can see that political parties no longer have the weight they had in the past.

This is a style of democracy that seeks efficiency, and efficiency is being achieved without political parties, because the rule of parties—precisely because of their manipulation—has ruined the country.

I am convinced that the citizens of the democracies in which political parties do not represent the people's aspirations will eliminate parties by choosing persons who are totally independent.

Just imagine: Here in Peru, the candidates who ranked in the first four places in the election do not belong to any political party.

My government has not had, does not have, and will not seek to have any party organization.

What has been created here in Peru is a core that gathers the best people in order to govern. We can even say.... [pauses] Some people have complained to me that the executive branch had no Change-90 members but independent people or members of other political organizations who were more skilled.

Well, considering that I have no ties whatsoever, and that I have no links with political parties, it has been possible to call on the best people, the most skilled people.

[Stella Ruffinelli of Channel 9 of Asuncion, Paraguay] President Fujimori, my question involves the Armed Forces. This represents a current issue for our region and especially for our current transition governments. What is your government's project for the professionalization

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of the Armed Forces, bearing in mind their close relationship with the government?

[Fujimori] The existing close ties between the Armed Forces and the president are based on the Armed Forces' subordination to civilian power. If you have information stating otherwise, forgive me if I tell you that you are wrong.

Peru is one of the few countries in which the Armed Forces and the police are not under the command of a decorative figure. After asserting this, allow me to state that it is the president who is in command of the Armed Forces and the police. I exercise full command. I command like a true military man. I will not allow myself to be subjected by the Armed Forces.

This is a notable progress, because the Armed Forces are subordinated to the president in compliance with the Constitution.

As for the role of the Armed Forces and the police, they should continue exercising this same role, because Peru continues to have border disputes. They must therefore continue to strengthen themselves. Throughout this past year, my administration has strengthened the Armed Forces, and it will continue to strengthen them, but for dissuasive and not for belligerent objectives. This is because, as you know, every January we have to deal with the border conflict with Ecuador. In view of this, our Armed Forces must defend Peru's sovereignty in an energetic manner.

The Peruvian Armed Forces have evolved and have become structured because of the advance of terrorism. Because of this, we had to equip the Armed Forces to combat terrorism and to defend national sovereignty. Terrorism has virtually disappeared. Peru is today one of the safest countries in Latin America. [passage omitted]

[Bernardo de La Maza] Mr. President, I am Bernardo de La Maza from Television Nacional de Chile. In the last few days, I have toured several Peruvian cities and there were no doubts in my mind that you were going to receive overwhelming support. Everywhere I went people indicated that they were going to vote for you. I was surprised, though, that several Peruvians have indicated that you are the [former Chilean President Augusto] Pinochet that Peru needed. What is your opinion about this?

[Fujimori chuckles] You are Chilean. Well, I am sort of Chinese [Peruvians refer to anyone of Asian origin as being Chinese] [audience laughs], and people address me as Chinochet, that is, they have tried to call me that. Well, they do not really call me Chinochet. They only call me the Chino.

As I have already said in my introductory remarks, Peru needed order, discipline, principle of authority and management; good management and honesty. I do not know if these characteristics apply to General Pinochet, but these are the Chino's attributes and defects.

I am telling you that what Peru needed was order and discipline and a tough hand against terrorism. What was Peru like in 1990? Do you remember what San Marcos Univesity was like? Could anyone enter San Marcos University, or La Cantuta University? No, of course not. No one could enter the majority of state universities because they were submerged in chaos.

What this administration has done is to recover the principle of authority. It is not authoritarianism. It is a completely different thing. What Peru needed was precisely that. People say that what Peru needs is a determined man. I am indeed a determined person because even my slogan reads: Peru cannot stop. In matters of development, no one stops the Chino. This is the basis of our work program. I am not a major general, so I am very different from Gen. Pinochet in that sense of the word.

[Ralf Leonard from the DIE TAGESZEITUNG of Berlin] Mr. President, you talked about democracy. How long will the military courts have competence over common crimes like the La Cantuta case? Most human rights organizations have charged that despite the fact that some military officers have been sentenced, those who have masterminded the crime were never punished.?

[Fujimori] The military courts are one of the mechanisms that have allowed us to uphold human rights in Peru. It is not true that these military courts have not punished those who were involved in the killing of the La Cantuta University students and professor.

The military courts must continue to be enforced until Shining Path [SL] is completely eradicated from Peru. What we must achieve in Peru is an effective enforcement of democracy. There can be no democracy with violence. My administration will not allow SL or the MRTA [Tupac Amaru Revolutionary Movement] to do whatever they want.

The law clearly defines that cases of treason to the fatherland must be tried by military courts. Those brought to trial under these charges can be sentenced to up to 25 years in prison or to life imprisonment.

The military courts have become a mechanism that has replaced civilian courts when they did not work.

There is no doubt that military officers were probably involved in isolated cases of human rights violation in the years ranging from 1980 to 1993. It is also true that Peru is nowadays a more peaceful country. There is safety, and in view of this, there is more possibility to achieve development, investments.

This is why Peruvians praise the work that the military has done in these past three years, and allow me to identify those responsible for this achievement: It was all done by General Nicolas de Bari Hermoza, his subordinates, and the police. They have done an extraordinary job.

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Gen. Hermoza and other generals are criticized. Why is this? I do not understand this because whenever necessary, when there were clashes, they arrested and eliminated SL members.

I am certain that no one would allow SL to develop their activities in their country. Why did Peru have to tolerate SL actions and tacitly accept cohabitation with terrorism?

As I have told several journalists from Japan, America, and Europe who have interviewed me, if you want this kind of terrorism and want to safeguard the human rights of terrorists, we will export SL terrorists to your countries for free. [passage omitted]

[Carlos Castillo] Good evening, Mr. President. I am Carlos Castillo, from the newspaper GESTION. I would like to address government program issues, specifically, the economic program. There has been talk that the main guidelines of the economic program will continue to be implemented, but there is also talk that some adjustments will be made. Could you explain what specific areas these adjustments will affect, and tell us whether these adjustments mean that there will be some cabinet changes on 28 July [the date of Fujimori's inauguration]?

[Fujimori] Well, in principle all ministers are compelled to automatically turn in their letters of resignation immediately after they are sworn in. There is no definite commitment in this regard like in a partisan system.

There are no problems whenever the cabinet works at an optimum level. Reshuffles are needed sometimes, but we also need to make changes.

As for readjustments in the economic program, we have a well-structured budget for 1995. This budget may be amended in some areas if tax collection increases.

Personally speaking, I am very satisfied that, during the election campaign, several political parties have expressed their support for the administration's economic program. We will continue implementing it.

What does this mean? It means precisely what is detailed in the econommic program: That by 1996, we will go to the Paris Club and renegotiate our debt, because this is what has been established in the agreement that we negotiated with the Paris Club in 1993. This was an extraordinary situation because concessions of this nature were never granted to other countries that had resorted to the Paris Club.

As for our debt with international credit banks, we plan to contact them and negotiate under more favorable terms. The government is naturally waiting for favorable conditions so that we may achieve the most favorable terms to refinance our debt with international banks. [passage omitted]

Fujimori Lists Proposals To Be Implemented

PY1004181295 Madrid EFE in Spanish 1605 GMT 10 Apr 95

[FBIS Translated Text] Lima, 10 Apr (EFE)—Reelected Peruvian President Alberto Fujimori has a total of 15 government programs he intends to implement as of 28 July, the day he will be sworn in as the next president.

The proposals in the political field are: To rule the country as a president-manager, to consolidate the pacification process through the defeat of subversion, to find a definite solution to the problem with Ecuador, and to reduce corruption in the public administration apparatus.

In the social field, the reelected president proposes to reduce poverty through social support programs, to generate more jobs, and to maintain free education to reduce illiteracy in the country.

Proposals in the economic field are: maintaining a neoliberal economic model that will promote competitiveness, consolidating the basis for economic growth at a rate of 5 percent yearly, completing Peru's inclusion into the international financial community, consolidating the privatization process of public companies, promoting exports, not devaluing the local money (nuevo sol), supporting agriculture and encouraging tourism, and attracting foreign investment.

JNE Reports Fujimori Leads With 64 Percent

PY1004192895 Lima Radio Programas del Peru Network in Spanish 1715 GMT 10 Apr 95

[Report by Enrique Vidal; from the Directo en Directo program]

[FBIS Translated Text] The following are the official results of the vote tally, with 44 percent of the votes counted. This is what National Election Board [JNE] President Ricardo Nugent had to report:

[Begin Nugent recording in progress] ...representing 44 percent of all voting stations that were in operation during the 9 April elections, yielded the following results:

For president and vice president:

Change 90-New Majority [Ch 90-NM] obtained 2,362,928 votes, which represents 64.07 percent;
Union For Peru Movement [UPP] obtained 830,040 votes, which represents 22.51 percent;
APRA [American Popular Revolutionary Alliance] obtained 155,790 votes, which represents 4.22 percent;
CODE [Democratic Coordinating Movement]-Peru Viable Nation obtained 119,444 votes, which represents 3.24 percent;
Obras Civic Movement obtained 102,190 votes, which represents 2.77 percent;
Popular Action [AP] obtained 51,276 votes, which represents 1.39 percent;
United Left [IU] obtained 17,023 votes, that is, 0.46 percent.

For Congress, the results are as follows:
Ch 90-NM obtained 1,386,557 votes, that is, 51.41 percent;
UPP obtained 389,780 votes, that is, 14.25 percent;

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APRA obtained 179,503 votes, that is, 6.66 percent;
Independent Moralization Front [FIM] obtained 137,705 votes, that is, 5.11 percent;
CODE-Peru Viable Nation obtained 106,915 votes, which represents 3.96 percent;
Popular Christian Party [PPC] obtained 91,546 votes, that is, 3.39 percent;
Renewal Movement [MR] obtained 91,335 votes, that is, 3.39 percent [figures as heard]
AP obtained 79,295 votes, which represents 2.94 percent;
Obras Civic Movement obtained 72,900 votes, which represents 2.33 percent.

The other details will be appearing soon on your screens. [Words indistinct] the figures I have just.... [end recording]

[Vidal, interrupting] According to JNE President Nugent, these were the results with 44 percent of all votes counted. We have been informed that there will be another news conference at 2300 GMT. By that time, we will probably have a vote tally result with 60 or 70 percent of the votes counted.

According to a vote count center official, we must wait about five days for vote count results on optional votes.

Only 2 Parties 'Officially' Survive Elections

PY1004151295 Madrid EFE in Spanish 1341 GMT 10 Apr 95

[FBIS Translated Text] Lima, 10 Apr (EFE)—Unofficial figures suggest that only two political parties remain in Peru; the rest could be officially eliminated for not having reached a minimum of 5 percent of the vote in the national elections.

The electoral law states that the Change 90-New Majority Party—led by the winner of the 9 April elections President Alberto Fujimori—and the independent Union for Peru group of the defeated candidate Javier Perez de Cuellar, are, by virtue of figures, the only organizations to have survived.

Under said law, political parties that do not obtain 5 percent in a national election are officially eliminated and their leaders must make structural reforms if they are to be considered in future electoral disputes.

Popular Action, which took former President Fernando Belaunde Terry to power on two occasions, achieved just 1.8 percent for its candidate Raul Diez Canseco, while the oldest traditional political party, the APRA [American Popular Revolutionary Alliance], only obtained 4.5 percent.

Ricardo Belmont, the Obras Civic Movement candidate who was twice re-elected mayor of Lima with more than 1 million votes, achieved just 2.8 percent.

A total of 14 presidential candidates participated last Sunday, 9 April, but only five reached the final stage with some possibility of success.

Two of them, President Alberto Fujimori and Javier Perez de Cuellar, led the electoral dispute. It became clear the election would become a clear hand-to-hand dispute between them.

The definite result, with 50 percent of all votes counted, will be released today, 10 April.

Early this morning, the National Election Board officially confirmed the victory of candidate-president Alberto Fujimori with 65.16 percent of the votes, when 16 percent of the votes had been counted.

In second place, Javier Perez de Cuellar has now achieved just 21.96 percent.

OAS Observers Verify Legitimacy of Elections

PY1004175695 Madrid EFE in Spanish 1840 GMT 9 Apr 95

[FBIS Translated Text] Lima, 9 Apr (EFE)—Representatives of the OAS mission of observers are moving through several towns of the country to verify the openness and legitimacy of the electoral process.

Marcelo Bonavita, from Uruguay, is coordinating with a group of observers in the towns of Puno and Juliaca, while Margarita Harres, from New Granada, is doing the same in Tacna, Moquegua, and Arequipa, and Mexican Ricardo Antunez is handling the coordination.

The observers visit the polling places to verify the normalcy of the process, confirming that the citizens' participation is overwhelming within a climate of absolute tranquillity.

Moreover, sources from the provincial election board, a top electoral organization, have announced that in the departments where the number of voters is low, voting will conclude before the end of the deadline established by the National Election Board (JNE).

They added, however, that in these cases, the results will not be made known before the time established by the JNE at the national level.

Communique Notes Efficiency of Elections

PY1004151395 Madrid EFE in Spanish 0140 GMT 9 Apr 95

[FBIS Translated Text] Lima, 9 Apr (EFE)—The OAS observers stressed today the independence with which members of the National Election Board [JNE] acted in the electoral process.

In a communique issued tonight, the OAS observers note the efficient way in which the JNE conducted today's election. The communique adds that the Peruvian electoral system is properly structured.

The OAS hailed the guarantees and assistance granted by the Peruvian Government, enabling the observers to

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fulfill their task, and thanked the Peruvian people and political forces for their cooperation in helping to achieve their objectives.

The OAS communique adds that citizens voted in a peaceful manner "without any problems that might have disrupted public order."

It asserts, however, that there were some difficulties regarding the distribution of polling stations, the opening of voting stations, etc. The communique adds these incidents had little significance and are common in elections throughout Latin America.

Foreign Congressmen Confirm Elections Clean

PY1004193595 Madrid EFE in Spanish 1746 GMT 10 Apr 95

[FBIS Translated Text] Lima, 10 Apr (EFE)—The mission of foreign congressmen who, on Sunday, 9 April, attended the Peruvian elections said today that the electoral process was carried out in an environment of absolute openness and cleanliness, according to representatives from Germany, John Wilkinson, and from Colombia, Julio Turbay.

Moreover, the representatives from Germany, France, Great Britain, Sweden, and Colombia said that the reelection of President Alberto Fujimori is legitimate, because there was no objection to the victory of the candidate-president.

They added that on Sunday they visited several education centers both in Lima and in the interior of the country, where they verified that some balloting stations were open in some cases at 0900 or even later.

The foreign congressmen made these remarks at the end of their stay in Peru, upon participating as observers in the general elections at the invitation of the Peruvian Congress.

Shining Path Dynamites 2 Offices of Ruling Coalition

PY1004201595 Madrid EFE in Spanish 1455 GMT 8 Apr 95

[FBIS Translated Text] Lima, 8 Apr (EFE)—Terrorists of the hardliners' faction of the Maoist group Shining Path have exploded dynamite charges at two offices of the ruling coalition Change 90-New Majority in Lima, but caused only property damage.

One of the charges, which caused serious damage to the ruling party's office in the district of San Luis, went off a few minutes after the end of a meeting in which more than 100 people participated.

The other attack was recorded in a modest Change 90 office in the poor neighborhood of San Juan de Lurigancho, which was seriously damaged.

Some witnesses explained that one of the terrorists, the perpetrator of the attack, was wounded by the explosion, although the police did not confirm this report.

In the Lima Andean town of Corcona, however, the police seized a load of 10 tonnes of ammonium nitrate or "anfo" [ammonium nitrate-fuel oil], a material used by Shining Path to prepare its explosives, as it was being transported toward the center of Peru.

Leoncio Carhuas, the driver of the vehicle that was transporting the cargo, said that the nitrate was imported from Chile by sea, and that he had picked it up a few days ago from the Lima port of El Callao.

Venezuela

Defense Minister Promises Inquiry Into Rights Abuses

PA0804224395 Caracas Venezolana de Television Network in Spanish 1550 GMT 7 Apr 95

[From "The News" newscast]

[FBIS Translated Text] Division General Moises Orozco Graterol, Venezuelan minister of defense, admitted a few minutes ago at Miraflores Palace in Caracas that members of the Venezuelan Armed Forces members violated the human rights of Cararabo residents.

[Begin Orozco recording] I acknowledge that there are sound indications of the guilt of a Navy captain, a sergeant first class, and two corporals in the Venezuelan Navy, in allegedly violating the human rights of residents of this region, in the wake of subversive actions staged by Colombian bandits, who are being held by the relevant tribunals awaiting the respective proceedings.

Consistent with our commitment and in keeping with the traditional attitude of Venezuelans, born of our deep-rooted democratic awareness, supported by the existing state of law, and based on respect for and guarantee of human rights, I am keeping close watch on the progress of the mentioned investigation. I am firmly determined, personally and institutionally, to keep my commitment to the nation to pursue the ongoing investigations to their ultimate consequences, in order to determine unequivocally just who is guilty and to not allow them to hide from judicial proceedings and public opinion. [end recording]

Central Bank Issues Monetary Stabilization Bonds

PA0804212095 Mexico City NOTIMEX in Spanish 0915 GMT 6 Apr 95

[FBIS Translated Text] Caracas, 6 Apr (NOTIMEX)—It has been officially reported that in the past few hours the Central Bank of Venezuela [BCV] has issued 54.6 billion bolivares (approximately $321 million) in monetary stabilization bonds (TEM) with maturity dates of 91 and 182 days. The interest rate for the 91-day bonds has been

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set at 27.5 percent annually; $294 million in these bonds were placed on the market. The interest rate on the 182-day bonds has been set at 28.5 percent; $27 million in these bonds were placed on the market. Those bonds are BCV monetary instruments designed to drain excess liquidity from the country's economy. They are also guidelines for market interest rates, which are regulated.

With this yield, the BCV establishes that the maximum interest rate on assets will be set at 42.5 percent as of this Thursday. This is 15 points above the TEM's 91-day yield. The minimum rate on liabilities will be 17.5 percent, a figure that cannot be less than 10 points under the average yield of the 91-day TEM.

Carabobo Governor Views Decentralization, Violence

95SM0263A Caracas EL NACIONAL in Spanish 12 Mar 95 p D1

[Interview with Carabobo State Governor Henrique Salas Romer by Marianela Rodriguez in Caracas; date not given]

[FBIS Translated Text] Over the past five years, Carabobo has clearly progressed in lockstep with the vanguard on the regionalization, decentralization, and devolution of power fronts—fronts that are crucial to the country's ability to meet the challenges posed by the current era of crises. This is the banner being waved by Carabobo's Governor Henrique Salas Romer to demonstrate that the states are capable of governing themselves "managerially" without much intervention by the national executive branch. And it is the position he took during a roundtable at EL NACIONAL that was also participated in by Argenis Martinez, editor-in-chief; William Becerra, political news editor; Elias Garcia Nava, economic news editor; and this reporter.

But Salas Romero asserts that the most progressive aspect, even beyond the decentralization process, has been the Law on Election and Removal of Governors, in that popular election confers legitimacy on their governorships. It permits them to make decisions free of the fear that has influenced their decisions in years past, when political factors leading to removal of the governor entered into play.

The former fragility of the governorship led to inaction, to very little continuity of action. The fact that we can now manage our own process and pursue our own initiatives has enabled us to create institutions such as Fundadeporte [Sports Foundation], Atencion Inmediata [Primary Care], and Fundacion Alegria [Happiness Foundation].

[Rodriguez] If the Law on Election and Removal of Governors has progressed even further than the decentralization process, what will the regional executives do to keep from being removed by the Legislative Assembly, as happened recently with the governor of Amazonas?

[Salas] It is fundamental that we governors assume a definitive position in this respect. In our country we must show that we are democratic; and except in the event of violations of the legal guidelines that might justify the removal of a governor, a democrat must consider the people as his sole frame of reference. The scenario of the legislative assemblies is limited; and, especially as in the case of the state of Amazonas where it consists of nine persons, it is not difficult to reach agreement when interests of some particular nature prevail. Bur there are always perverse interests that do not fit in ..ith the very essence of the democratic system, the legitimacy of which derives from election by the people. In the case of Edgar Sayago, against whom there is no complaint that does not stem from rivalry of a political nature, he must be defended like any other governor, regardless of the fact that his is a relatively small governorship in a distant and recently created state.

Governor Salas Romer admitted that this is not the most propitious political moment to implement the changes contained in the Law on Election and Removal of Governors, in view of the considerable rivalry that persists among those in leadership positions in the capital and those who have emerged as a result of the promulgation of the act.

Agreement will have to be reached, he said, except that, in the case of the president of the Republic, the governors must not be subjected to the constraint of possible dismissal by the legislature, since this would imply a lack of confidence in the decision of the voters.

Backed by the AGV [Venezuelan Governors Association], Salas Romer has introduced a motion in the Congress that would modify several articles of the Law on Election and Removal of Governors. His motion proposes that administrative terms be lengthened and that reelection not be limited to one only.

He pointed out that the AGV has taken a clear-cut position on the need to reform the law, specifically with respect to Article 24 of the Constitution, which covers the case of removal of governors elected by popular vote—and which, it argues, the law must interpret in a manner that prevents their removal in the absence of fundamental cause.

He said that the thesis that has prevailed in the Congress relative to the reform motion is a mistaken and in some cases a partisan one. It has been argued in Parliament, he said, that what is at issue is a hermetically sealed provision of the Constitution that does not admit of debate; but, he argued, what that hermetically sealed provision states is that a two-thirds vote of the Legislative Assembly shall lead to the dismissal; and this implies that the dismissal is not actually done by the Legislative Assembly but rather by a higher authority; and this higher authority not being the president, it is necessarily the people, who bestow the governorship.

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Absolute Uninominality

[Rodriguez] Are you in agreement with uninominality in the electoral processes?

[Salas] Absolutely. I have been an all-out defender of the uninominal system, and a substantial part of Carabobo's 1993 promotional budget was devoted to promoting the uninominal system, although the Supreme Electoral Council asked us to change our TV spot because the Council considered that it favored uninominal candidates over those who were running on lists. The result, however, was the opposite; for, when the uninominal candidates took to the streets they gained a majority of the votes cast.

Salas Romer did not pass up the opportunity to comment that the combination of list-and-uninominal voting is absolutely perverse, because it pits the uninominal candidates in a fight against list candidates, and drives the latter to form alliances of any type whatever in order to defeat their opponents.

Vulnerable Justice

Referring to the case of persons who are detained and then released on the premise, for example, that the PTJ [Judiciary Technical Police] had not conducted the investigation correctly, Salas Romer concluded that "Venezuelan justice has its very considerable faults," and cited statements by the president of the Republic to the effect that the judges are not fully as honest as would be desirable. He added: "There are a great many honest judges, but the criminal justice system in our country in particular is highly vulnerable."

[Rodriguez] What solution do you propose?

[Salas] My recommendation is that specialized police forces be formed within the existing state police organizations, and, to the extent possible, that the municipal police forces consist of regulars of a specialized rather than a general nature—because when we all try to fight all crimes, we end up making altogether inefficient use of resources. This is a luxury that we cannot afford to grant ourselves in a country with a far smaller number of policemen per inhabitant than is recommended by international standards.

Strange Violence

[Rodriguez] Why are there so many particularly violent crimes in Carabobo? What is really going on?

[Salas] Let us start by clarifying that the police were not involved in the handling of the burned-cars incident. That involved a settling of accounts by a group of DISIP [Directorate of Intelligence and Prevention Services] inspectors sent from Caracas to Valencia, who sought vengeance against another DISIP inspector who had been temporarily assigned and who was chief of the Carabobo Police Intelligence Service. The handling of that case was a play among DISIP inspectors, after which the case was actually solved when it was discovered that the perpetrators were members of a gang that stole cars on request—and who, failing to receive the agreed payment for the cars they had sold under that agreement, took revenge by burning the cars.

[Rodriguez] Why are there so many disturbances in Valencia? Why are the students protesting? Is there an underlying motive?

[Salas] At other times, there has been a motive. But as to what has been happening in recent months, I am at a loss to understand it. I would say that the underlying motive is vandalism. These events led me to initiate an action that has been well received by the population in general. It consists of arresting the parents of the students who take part in violent disturbances resulting in material damages and physical injury to third persons. The 21 youths who were detained by the police for participating in the most recent disturbances were turned over to the DISIP and quickly released by order of the state prosecutor for minors. It was then that, in keeping with the Police Law of the state of Carabobo, we arrested the parents for 48 hours and required them to sign a bail-bond agreement providing that if their offspring again commit acts similar to the foregoing, they [the parents] will be subjected to much heavier sanctions.

Insecurity

Given that during the meeting of governors in Maturin he sat on the committee that addressed the issue of security, Salas Romer made specific reference to that issue.

He asserted that it is not true that a clear-cut relationship exists between the economic situation and crime, and he added that there appears to be no index whatever capable of leading conclusively to a theoretical linking of economic growth curve, employment and unemployment rates, and crime rates.

In Venezuela, violent crimes have grown by 57 percent over the last three years, but that does not mean that our cities are the world's most insecure.

After Completion of Term, What Next?

[Rodriguez] The election of mayors and governors will take place in December, and as of January 1996 Salas Romer will have completed his second term as Carabobo's chief executive. In view of this situation, the question arises: What will you do next?

[Salas] We governors who have already been reelected, I among them, will begin three years of political ostracism. The truth is that we are left with quite a long parenthesis during which I have thought of the idea of teaching somewhere, studying, and cultivating the reflective thinking that one stops cultivating when one is engaged in activities as demanding as these. But sooner or later, as the saying goes, the winner always returns to the scene of his triumphs—and so, one always returns to public life.

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[Rodriguez] How long would you have to wait to again run for a seat in Congress?

[Salas] Three years.

[Rodriguez] With COPEI [Social Christian Party]?

[Salas] I would expect so.

[Rodriguez] But with Caldera's COPEI, or with the other COPEI?

After a burst of laughter that the question could be expected to evoke, he responded: "Look, I maintained a position of absolute impartiality during the past election campaign, and I have been criticized for it; and I understand the reasons why I am criticized by one side and the other. But I also did it in deference to my responsibility at that time, as president of the AGV with respect to a decentralization process that would have been adversely affected had the governors' most visible person come out in favor of a candidate who turned out to be a nonwinner."

But I cannot deny, he added, that the Social Christian world has suffered a profound emotional split and that a substantial portion of it has gone over to Dr. Caldera. What has happened is like what happens in a household: when half the children have sided with the father, the founding father, and the other half with the mother, the institution. What one would like to see in cases like this is: If we are going to reconstitute the ideologies and make the most of parties as sources of social consensus, the ideal would be for this Social Christian world to begin seeking the way to a common meeting ground.

From the Governorship to the Presidency?

[Rodriguez] In political circles it is being commented that neither COPEI nor Convergence have clearly defined who their respective candidates for president of the Republic may be, and thus far the only winner is Caldera. Does this situation not attract the attention of a man like yourself, fresh from having won a governorship twice? Are you not thinking of being a presidential candidate?

[Salas] Many persons have talked to me about that, and I am grateful to them. But a presidential campaign lasts three months, and the next presidential elections are still 45 months away.

[Box]

Is Carabobo Still an Industrial Capital?

Because of the position that Salas Romer has taken in not manifesting his support of any candidate for the governorship, an evaluation of his two consecutive terms would be difficult, since if he is succeeded by an opponent, the latter would limit himself to saying that everything his predecessor did was wrong. In view of this situation, a question arises:

[Rodriguez] Does the governor regard Carabobo as continuing to be an industrial state despite the situation in the sector?

[Salas] Carabobo's industrial strength is very substantial, and this has enabled it to surmount the degeneration into which the Venezuelan financial system has fallen. Carabobo has been fortunate, because its industrial capacity has been favored by a process of integration with Colombia, especially within the overall framework of the Andean Pact, to the point where almost 70 percent of Venezuela's exports to Colombia, at least during 1993, were shipped from Carabobo. I would say that Carabobo's industrial structure is already starting to recover. Now, as for the general well-being of the population, we have two interesting figures. One reflects the finding in the most recent analysis prepared for Fundavenezuela [Venezuela Foundation] that Carabobo is the only state that shows no increase having taken place in its poverty levels, and that a process of vertical surmounting of the economic situation by the population is in progress. The other figure reveals a 25-percent drop in Carabobo's infant mortality rate.

[Box]

Subversion Training Ground

[Rodriguez] Considering that in other cities, like Caracas, the students do not go beyond throwing a few rocks at the police during their demonstrations, what is the reason for the violence in the Carabobo's capital? What is behind the disturbances in Valencia?

[Salas] There are some types of comments that I do not like to engage in, but I must admit that we have detected cases, and indeed taken action in such cases, in which we have had detailed information on the operation of guerrilla training camps in the state of Carabobo. In June and July of 1993, when villages along the Moron-Bejuma axis were being sacked, it was definitively proven that guerrillas were being trained in those attacks, which were linked, on the one hand, and beyond any doubt whatever, to Colombia—and related to the growing pressure to use Carabobo's coast, and especially Puerto Cabello, as a base of operations for the drug traffic—and on the other hand, to another type of activities of a subversive nature. As a result of the measures instituted by President Caldera, this activity has been subsiding. The social climate has become tranquil, but of the presence of elements dedicated to carrying out destabilizing actions, there cannot be the least doubt. Now, as to the extent of the presence of those elements in the mentioned disturbances, we believe that if they are not students, they are persons who are infiltrating the student bodies.

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